



PARK PLACE
RESIDENCES™



ABC
ALLIANCE FOR BETTER CONDOS™

ABC BUILDING RATING™ REPORT

Park Place Residences

Halifax County Condominium Corporation No. 144

1049 South Park Street, Halifax, Nova Scotia B3H 2W5

10 units | Three directors | Self-managed by the Board

Assessment date August 31, 2026

For the Board of Directors

Park Place Residences is a member of the Alliance for Better Condos

**Prepared by ABC
Alliance for Better Condos**

October 14, 2026

EXECUTIVE SUMMARY

A⁻

STRONG GOVERNANCE | FINANCIALLY STRONG

Assigned rating	Governance	Financial strength
A ⁻ Green	Strong 62 / 100	Strong 3.50 / 5
Provisional negative outlook	Strong threshold 60 / 100	Strong threshold 3.40 / 5

The assigned rating remains A with a provisional Negative outlook, shown as A⁻. At August 31, 2026, governance is 62/100 and financial strength 3.50/5, both Strong; the calculated and assigned grades are both A. The October 14 FY2027 budget projects financial strength of 3.00/5 and calculated B at August 31, 2027. This supports downside risk, not an automatic downgrade. No temporary grade-retention exception is currently needed or applied. [1–3,5,7]

RATING FRAMEWORK

The matrix calculates A for two Strong components, C for two Weak components, and B otherwise. The assigned grade normally matches. Governance adds three sections worth 60, 20 and 20 points; finance averages four ratio scores. Positive (+), Stable (no symbol) and Negative (–) describe expected direction. At review, the grade and outlook may both remain unchanged, either may change, or both may change. [3,7]

WHY THE CURRENT RATING IS A

Governance improved by 10 points since FY2025, supported by restored Board composition, timely annual general meeting minutes, transparent elections and reported deductible coverage. Financial strength improved by 1.50 points through stronger operating liquidity and reserves and a better management-cost score. Both governance and finances are Strong. [1,2,9]

WHAT THE BOARD SHOULD WATCH

The FY2026 financial statements are unaudited. Receivables of \$55,426, interfund balances and the available cash or investments of reported funds require reconciliation. A \$58,500 assessment helped rebuild balances, and paid management costs were temporarily low after the manager's March 31 departure. These qualifications remain part of the assessment. [1,2]

Resolve sprinkler work, reconcile funds and collections, and complete unverified governance evidence. The \$110,000 proposed assessment, its collection and the \$81,669 repair programme require approval or delivery evidence. Restored recurring management costs drive the projected score decline; assessment dependence remains weak. These risks support reaffirming the provisional Negative outlook.

The assessment relies on the financial reports and governance records identified in the source notes. Subsequent improvements are not treated as completed at year-end. ABC is the analyst and rating assigner; Alliance membership is separate from the rating.

FINANCIAL SCORE AND RATING DRIVERS

STRONG | 3.50 / 5

Financial strength averages four indicators, each earning 1–5 points. Each amount below is divided by the same annual funding requirement: \$84,185.45 for routine operations and regular reserves. The one-time \$32,500 contingency top-up is excluded from that requirement. Its benefit remains in fund balances; the special assessment remains part of the Capital Stress Ratio. [1,3,7]

FY2026 indicator	Amount assessed	Ratio	Points / result
Management Fee Ratio	\$9,793.43	11.63%	3
Operating Liquidity Ratio	\$50,747.07	0.603	5
Reserve Strength Ratio	\$178,132.57	2.116	5
Capital Stress Ratio	\$58,500.00	69.49%	1
Financial score	$(3 + 5 + 5 + 1) \div 4$	3.50 / 5	Strong

Annual funding requirement = operating costs \$51,185.49 + regular reserve contribution \$32,999.96. The reported \$116,685.45 total also includes the excluded \$32,500 one-time top-up. Management/bookkeeping are already in operating costs. The reserve contribution needs reconciliation to the \$22,000 budget; that lower amount also gives 3.50. A ratio of 0.603 means 60.3% of annual funding; 2.116 means about 2.12 times annual funding. [1,5]

WHY FINANCIAL STRENGTH IMPROVED

FY2025 financial strength was 2.00. The Operating Liquidity Ratio rose from 1 to 5 points, adding 1.00 to the average. The Management Fee Ratio rose from 2 to 3 and the Reserve Strength Ratio from 4 to 5, each adding 0.25. The Capital Stress Ratio stayed at 1. The total improvement is 1.50, producing 3.50, Strong. [1,9]

CAPITAL STRESS REMAINS A WEAK INDICATOR

The \$58,500 special assessment gives the Capital Stress Ratio 1/5. The two fund-balance ratios score 5 each and the Management Fee Ratio scores 3, bringing the average to Strong. This does not prove cash is available for every project. A necessary assessment increases owners' payment burden while its proceeds can improve fund balances. [1,3,7]

The Operating Liquidity Ratio combines the operating fund balance of \$13,916.33 with accessible contingency of \$36,830.74, totalling \$50,747.07. The operating balance is earnings of \$27,130.94 less the opening deficit of \$13,214.61. Contingency is treated as available for operating support, subject to confirming access and cash. Reserve funds remain separate. [1,7]

CURRENT RATING MARGIN

The indicators total 14 points. Dividing by four gives 3.50, the lowest achievable Strong score. The formal threshold is 3.40, but averages move in steps of 0.25. Losing one point gives 3.25, Adequate, and calculated B if governance stays Strong. The budget projects a two-point loss in the management-cost indicator, reducing the average by 0.50. An assigned-grade decision requires review of current evidence.

With annual funding held at \$84,185.45, the Reserve Strength Ratio keeps 5 points when the reserve balance is at least \$168,370.90. The current balance is \$9,761.67 above that boundary. Falling below it would reduce financial strength to 3.25 if other scores stayed unchanged. Future-year forecasts must use that year's funding and planned work.

GOVERNANCE PROGRESS AND EVIDENCE

STRONG | 62 / 100

Governance credits 62 points across 25 questions. Governance discipline contributes up to 60 points, cost discipline 20 and capital discipline 20. The total is Strong from 60, Adequate from 40 to below 60, and Weak below 40. Category subtotals have no separate minimums. [2,3,7]

Category	Maximum	FY2025	FY2026
Governance discipline	60	30	38
Cost discipline	20	10	10
Capital discipline	20	12	14
Total governance score	100	52 Adequate	62 Strong

TEN POINTS OF IMPROVEMENT

FY2026 change	Previous credit	Current credit	Increase
Board authority and composition	2	4	+2
annual general meeting minutes within one month	2	4	+2
Transparent director elections	Unverified	4	+4
Contingency covers deductible	2	4	+2

The August 2026 election restored the three-director Board before year-end. The President confirms this was the first restoration since 2021. Timely circulation of the December 2025 annual general meeting minutes and the reported contingency balance support the other score increases, with deductible coverage subject to available cash or investments. [1,2,6,8]

FOUR ITEMS REMAIN UNVERIFIED

Director onboarding, handover timing, comparable recurring cost growth and the reserve investment strategy remain Unverified. This means sufficient evidence is missing, not that the practice failed. These answers receive no points until supported. If all four earned full credit, governance would rise from 62 to 78; both results are Strong. [2]

The President confirmed briefing and shared records in October, but their completion by August 31 remains undated. No extra year-end credit is awarded. Plans for guaranteed investment certificates with staggered maturity dates, or a contingency investment alone, do not prove the reserve investment strategy was implemented. [2,8]

REPORTING AND CONTINUITY STILL NEED WORK

Audited statements through FY2025 were prepared, but timely preparation and regular owner distribution were not fully established at the cutoff. Registrar filing is a separate follow-up, not an automatic score deduction. The full 25-question scorecard is reproduced at the end of this report.

A two-point governance reduction from 62 leaves 60, still Strong. A four-point reduction gives 58, Adequate, and calculated B with finances at 3.50. Weak governance begins below 40. A projected letter-threshold crossing can be meaningful even below the normal eight-point governance outlook guide; it does not mandate a rating action.

FUNDS AND MAINTENANCE COMMITMENTS

Fund equity means the accounting balance belonging to each fund after its liabilities. It may include amounts owed to the corporation and is not necessarily cash available to spend. The ratios use these reported balances. The Board must confirm available cash, committed amounts and payment dates. [1]

August 31, 2026 unaudited position	Amount
Operating bank / reserve bank	\$48,810.72 / \$131,076.01
Total bank cash	\$179,886.73
Receivables	\$55,425.83
Accounts payable and accrued liabilities	\$12,042.59
Deferred revenue	\$4,100.00
Operating fund balance	\$13,916.33
Contingency fund balance	\$36,830.74
Reserve fund balance	\$178,132.57

Reconcile the \$35,510.93 reserve interfund entry and \$28,169.26 reserve–contingency entry to fund ownership and bank cash. Receivables and prepaid insurance are not cash. Do not count a fund balance both as operating liquidity and as money already committed to another purpose. [1]

RECURRING FUNDING REMAINS A WATCH ITEM

Regular fees of \$78,000 were \$6,185.45 below operating costs plus the reserve contribution, before the one-time contingency allocation. Other income of \$7,316.39 could cover that arithmetic gap, but its nature and recurrence require confirmation. The fee-only gap is not proof of a total recurring-income deficit. [1]

RESERVE PROJECTIONS NEED CURRENT WORK RECORDS

The March 12, 2025 study's recommended Table C remains positive at each year-end through 2049 under its assumptions. Its minimum closing balance is \$30,765 in 2049. The study therefore does not itself establish a reserve deficit. Current costs, actual funding and completed or deferred work still need reconciliation. [4]

Study year ending August 31	Expenditure	Contribution	Closing balance
2026	\$10,865	\$28,000	\$113,316
2027	\$21,643	\$28,700	\$121,834
2028	\$17,876	\$29,418	\$134,970

Study figures are projections, not actual expenditure. They include 1.25% interest and 2.50% inflation/contribution escalation. FY2027–FY2028 expenditure totals \$39,519, including allowances. Add verified carryover work and current quotes; unconfirmed completion is not proof of an unpaid liability. [4]

PRIORITIZE SAFETY AND CONFIRM COMPLETION

Sprinkler deficiencies remained outstanding in August 2026. The current budget includes \$10,076, including estimated HST, for this work within the \$81,669 repair programme. Confirm the quote, required timing and completion evidence separately from domestic backflow work. Reconcile carried-over work and planned scopes before payment. The rating does not authorize delay of required repairs. [4–6]

HISTORICAL RESULTS

Fiscal years end August 31. FY2022–FY2025 use final audits; FY2026 is unaudited. All years use combined liquidity and recurring funding. Reported operating costs and reserve transfers are retained; the identified FY2026 exceptional contingency top-up is excluded. Unclassified expenses are not arbitrarily removed. Amounts are rounded Canadian dollars. [1,7,9]

Financial amount	2022	2023	2024	2025	2026
Regular fees	\$63,600	\$66,000	\$66,000	\$72,000	\$78,000
Operating costs before transfers	\$39,859	\$45,841	\$62,456	\$67,309	\$51,185
Management and bookkeeping included above	Not identified*	Not identified*	\$5,750	\$13,750	\$9,793
Reserve contribution	\$25,584	\$22,101	\$20,300	\$22,000	\$33,000
Exceptional contingency top-up excluded	\$0	\$0	\$0	\$0	\$32,500
Annual funding requirement	\$65,443	\$67,942	\$82,756	\$89,309	\$84,185
Special assessments recorded	\$139,475	\$0	\$0	\$220,000	\$58,500
Operating fund balance	\$2,883	\$937	(\$15,822)	(\$13,131)	\$13,916
Contingency fund balance	\$3,943	\$4,035	\$4,156	\$4,272	\$36,831
Reserve fund balance	\$134,608	\$156,709	\$168,978	\$145,209	\$178,133

*FY2022–FY2023 management/bookkeeping costs cannot be identified separately. Their Management Fee Ratios and total financial scores are Not Rated; other ratios can still be calculated. The FY2022 levy was recorded as \$139,475 rather than \$155,000. The \$15,525 audit qualification continues in later audits but does not change Capital Stress Ratio points. FY2026 opening net assets differ from final FY2025 by \$84.16. [1,9]

Financial scores and classifications	2022	2023	2024	2025	2026
Management Fee Ratio points	Not Rated	Not Rated	5	2	3
Operating Liquidity Ratio points	2	1	1	1	5
Reserve Strength Ratio points	5	5	5	4	5
Capital Stress Ratio points	1	5	5	1	1
Financial score out of 5	Not Rated	Not Rated	4.00	2.00	3.50
Financial strength	Not Rated	Not Rated	Strong	Weak	Strong
Governance score out of 100	Not Rated	Not Rated	38	52	62
Governance strength	Not Rated	Not Rated	Weak	Adequate	Strong
Calculated overall grade	Not Rated	Not Rated	B	B	A

HOW TO READ THE CHANGES

FY2024 calculates B: Weak governance and Strong finances. FY2025 calculates B: Adequate governance and Weak finances. FY2026 calculates A: both Strong. Financial scores are 4.00, 2.00 and 3.50 respectively. FY2022–FY2023 remain Not Rated pending management-cost clarification. The current assigned A matches the calculation. Historical comparisons do not establish calibration across other buildings. [1,2,7,9]

Historical governance scores were reconstructed from records, not necessarily published at the time. Full credit for all Unverified answers would give 38–70 in FY2024, 52–72 in FY2025 and 62–78 in FY2026. FY2024 could therefore be B or A. FY2025 remains B because finances are Weak; FY2026 remains A. Prior-year outlooks are not reconstructed.

FY2027 BUDGET AND RATING OUTLOOK

PROVISIONAL NEGATIVE OUTLOOK | A⁻

The October 14, 2026 budget covers FY2027, September 1, 2026 to August 31, 2027. Fees are \$800 per unit monthly; the proposed assessment is \$110,000, or \$11,000 per unit, subject to approval and collection. The refreshed outlook runs to October 14, 2027. The weeks beyond FY2027 require FY2028 evidence; they are not assumed assessment-free. Plans do not replace FY2026 actuals or earn governance points. [5,7]

Budget item	FY2026 actual	FY2027 plan
Regular condominium fees	\$78,000	\$96,000
Operating and contingency interest	Not separated	\$1,750 assumed
Operating costs before transfers	\$51,185	\$60,250
Management and bookkeeping included above	\$9,793	\$17,600
Owner-funded reserve contribution	\$33,000	\$37,500
Recurring annual funding requirement	\$84,185	\$97,750
One-time contingency fund top-up	\$32,500	\$13,169.26
Budget surplus after reserve contribution	—	\$0
Reserve interest retained in reserves	Not separated	\$5,727.52 assumed

HIGHER FEES SUPPORT BETTER RECURRING FUNDING

Fees rise by \$18,000 and regular owner-funded reserve contributions by \$4,500. The recurring annual funding requirement is \$97,750: \$60,250 operations plus \$37,500 reserves. Fees of \$96,000 and \$1,750 assumed operating/contingency interest balance that requirement. The one-time \$110,000 assessment is excluded from the denominator but included in capital stress and projected fund balances. [5,7]

The budget assumes 2.5% interest: \$5,727.52 retained in reserves and \$1,750 for operations, totalling \$7,477.52. The full-year balance assumptions are planning estimates; collection dates, spending and achievable rates affect earnings. The model does not add interest on the \$1,337.41 rounding buffer when calculating FY2027 income. [5]

RESTORED SERVICES AND REPAIR NEEDS OFFSET PROGRESS

The operating budget rises 4.52% from the prior full-year budget of \$57,647. Compared with the temporarily low FY2026 actual, about \$7,807 restores full-year management/bookkeeping costs and \$1,258 reflects other net changes. The first amount reflects service timing, price and scope; it is not wholly inflation or proven savings. [2,5]

The repair programme is \$81,669: \$49,950 deferred physical work, \$10,076 sprinkler deficiencies including estimated HST, and \$21,643 scheduled FY2027 work. Confirm current quotes, completion and payment timing. Utility estimates and the zero routine-repair allowance also need monitoring. Higher reserve contributions are funding, not operating-cost inflation. [4–6]

Projected finance is 3.00/5, a decline of 0.50, and the calculated grade is B. The cause is the Management Fee Ratio score falling from 3 to 1. Capital stress remains at 1 in both years; the larger assessment does not cause an additional score loss. Both fund-balance indicators remain at 5. These are forecasts, not an issued FY2027 grade.

BUDGET PROJECTION AND OUTLOOK

The current budget starts from FY2026 reported fund balances, includes the full \$81,669 repair programme and assumes collection of the \$110,000 assessment. Governance remains 62 pending dated evidence. The forecast financial score is 3.00/5, Adequate, and the calculated grade is B. The current assigned A with provisional Negative outlook remains supported; no future assigned grade is predetermined. [1,4,5,7]

FUNDING AND BALANCE RECONCILIATION

Annual funding requirement = \$60,250 operating costs + \$37,500 regular owner-funded reserve contributions = \$97,750. The proposed levy is allocated \$90,747.07 to reserves, \$13,169.26 to contingency and \$6,083.67 to operations. These one-time amounts increase projected funds and capital stress, not recurring annual funding.

Projected closing balances are \$20,000 operating and \$50,000 contingency, totalling \$70,000. Operating: \$13,916.33 opening + \$58,500 allocated fees + \$1,750 interest + \$6,083.67 levy – \$60,250 expenses = \$20,000. Contingency: \$36,830.74 opening + \$13,169.26 levy = \$50,000; its \$1,250 interest is transferred to operations.

Reserve closing balance: \$178,132.57 opening + \$37,500 owner contributions + \$5,727.52 interest + \$90,747.07 levy – \$81,669 repairs = \$230,438.16. This includes a \$1,337.41 rounding buffer above the \$229,100.75 modelled starting requirement. The reserve objective is a \$260,000 average in August 31, 2027 purchasing power over FY2028–FY2049, not a FY2027 closing target or annual floor. [5]

Projected indicator	Calculation	Ratio	Points
Management Fee Ratio	$\$17,600 \div \$97,750$	18.01%	1
Operating Liquidity Ratio	$\$70,000 \div \$97,750$	0.716	5
Reserve Strength Ratio	$\$230,438.16 \div \$97,750$	2.357	5
Capital Stress Ratio	$\$110,000 \div \$97,750$	112.53%	1
Financial score	$(1 + 5 + 5 + 1) \div 4$	3.00 / 5	Adequate

INTERPRETING THE FORECAST

The Management Fee Ratio rises from 11.63% to 18.01%, lowering its score from 3 to 1. This reflects restored recurring management/bookkeeping costs; it does not establish poor service value. The assessment is a material owner burden and scores 1, as in FY2026. It would be incorrect to describe the whole projected decline as a one-off assessment effect.

The reserve study's original funding table assumes 1.25% interest, while this budget assumes 2.5%. Both use 2.5% inflation; the study expenditure figures already include inflation and are not inflated again. Different rates, collections, work costs or fund allocations require a complete revised forecast. [4,5]

A later, fully funded year without assessments or loan payments would lift capital stress from 1 to 5 points and finance from 3.00 to 4.00 if all other scores stayed unchanged. This is an illustration, not an approved FY2028 budget, proof that no further assessment will be needed, or an automatic upgrade or Positive outlook.

BUDGET SENSITIVITY

The cases below test the October 14 budget one assumption at a time. Each holds the total assessment at \$110,000 and, where needed, reallocates it between reserve and operating funding to preserve the \$50,000 contingency and \$20,000 operating targets. They are analytical scenarios, not additional approved budgets. [5]

Separate test	Annual funding requirement	Closing reserve	Finance /5
Current budget	\$97,750	\$230,438.16	3.00
Operating costs 10% higher	\$103,775	\$224,413.16	3.00
No FY2027 interest earned	\$97,750	\$222,960.64	3.00
Full repair programme costs 25% more	\$97,750	\$210,020.91	3.00
Management/bookkeeping costs 20% lower	\$94,230	\$233,958.16	3.25

SAME SCORE DOES NOT MEAN NO FINANCIAL IMPACT

The first three adverse tests leave the financial score at 3.00 because both fund ratios remain in their highest scoring bands. Nevertheless, cash available for future work falls. The reserve target, the repair programme and sustainable funding still require attention even where the score does not change.

With no FY2027 interest, reserves would close at \$222,960.64, which is \$6,140.11 below the \$229,100.75 modelled starting requirement. The \$1,337.41 rounding buffer does not cover a complete loss of the assumed \$7,477.52 interest. This case changes FY2027 earnings only; it does not recalculate the long-term reserve plan at a permanently lower interest rate.

The repair-overrun test applies to the entire \$81,669 programme, not just the \$21,643 scheduled study work. A 25% increase adds \$20,417.25 and reduces closing reserves to \$210,020.91. Confirm scopes and quotes, including possible overlap in carried-over work, before treating this as a committed cost.

SERVICE COSTS AND SCORE BOUNDARIES

A 20% management/bookkeeping reduction gives costs of \$14,080 and annual funding of \$94,230. The Management Fee Ratio becomes 14.94%, worth 2 points, so financial strength is 3.25, still Adequate. This is a sensitivity test, not a recommendation to cut necessary services or an estimate of achievable savings.

Adding cash alone would not raise the two fund-ratio scores above their existing maximum of 5. To support a higher calculated financial result, an indicator score must improve while all affected funding, costs, balances and owner obligations are recalculated. Test combinations separately before making a decision; these individual cases cannot simply be added together.

RATING REVIEW AND TEMPORARY EFFECTS

The October 14 review reaffirms both A and the provisional Negative outlook. FY2026 actual scores already calculate A, so no exception is needed to retain the current grade. The FY2027 budget is a forecast used to assess risk; it is not an issued B rating. [1,5,7]

THE OUTLOOK DOES NOT PREDETERMINE A DECISION

At the next review, A with Negative outlook may remain A with Negative outlook if actual conditions still support A and downside risk remains credible. It may become A with Stable outlook if that risk sufficiently eases. A grade change, an outlook change, or both may instead be justified by the evidence. Likewise, Positive does not require an upgrade or a change to Stable merely because the anticipated gain has not yet occurred.

DISTINGUISH RECURRING COSTS FROM A ONE TIME EFFECT

The forecast decline from 3.50 to 3.00 comes from recurring management/bookkeeping costs reducing their ratio score by two points. Capital stress is already at the lowest score in FY2026 and remains there in FY2027. The \$110,000 assessment finances repairs and fund restoration, but its proposed one-time nature does not erase the owner burden or the continuing management-cost ratio.

WHEN A FUTURE RETENTION REVIEW MAY BE RELEVANT

If FY2027 actual evidence later calculates B, ABC may examine whether a clearly temporary financial effect supports retaining the prior A under the methodology. That decision would require funded obligations, credible collections, defined work and completion evidence, a sustainable recurring budget, and an approved, evidence-backed recovery plan. An anticipated assessment-free year or a favourable budget alone would not be enough.

This review has not established an approved FY2028 budget, secured funding for the proposed \$110,000 levy, or evidence that material safety risks are resolved and remaining work is fully scoped, funded and scheduled. These gaps prevent a future retention decision now. They do not alter the FY2026 calculated A. Any later exception must show the calculated and assigned grades, supporting evidence, milestones, a firm recovery deadline and reviewer approval.

EVIDENCE AND REVIEW TRIGGERS

Review the position when the assessment is approved and collections are known, when major work is priced or completed, when audited results are available, or when a material assumption changes. Confirm the split between available operating support and money committed to projects. Compare actual results with the budget rather than replacing them with target balances.

If a future grade is retained for a temporary effect, the recovery already used to justify retention cannot alone also justify Positive. Unmet recovery milestones require prompt reassessment. A renewed outlook cannot reset the exception's deadline. The decision must follow the evidence, not the earlier outlook label.

WHAT COULD DRIVE THE RATING UP OR DOWN

The current calculated and assigned grade is A with a provisional Negative outlook. FY2027 projects financial strength of 3.00 and calculated B. The paths below identify evidence for review, not promised actions. They require complete funding and work forecasts; necessary services or repairs should not be reduced to protect a score.

UPWARD DIRECTION

Possible outcome	What would support it
Retain A and support Stable	Current evidence and a credible plan support financial strength of at least 3.50 and governance of at least 60, with broadly stable conditions. Alternatively, a future temporary deviation would need a separately justified retention decision and funded recovery evidence. The recovery used to retain A cannot also be counted as extra improvement for Positive.
Support a Positive outlook	Supported improvement of at least 0.50 in finance or 8 in governance, without significant opposing weakness, may support Positive. For a retained grade, improvement must be beyond the recovery already relied upon. Any smaller assessment must be reconciled with funding for all required work; simply deleting the levy does not demonstrate improvement.

At annual funding of \$97,750, with management at 1 point and both fund ratios at 5, assessment and loan payments below \$14,662.50 would yield at least 3.50 overall finance; below \$4,887.50 would yield 4.00. These are conditional thresholds, not recommendations to cut the \$110,000 funding plan. Recalculate liquidity, reserves and required work if the levy changes. Evidence for four unverified governance items could add up to 16 points when established at the relevant date.

DOWNWARD DIRECTION

Restored recurring management costs reduce the projected financial score to 3.00 while assessment dependence remains weak. If future actuals match, the matrix would calculate B. The assigned grade would then be reviewed under the current methodology; the earlier Negative outlook would not itself require a downgrade. Collections, repair costs, borrowing and governance changes could increase or reduce the risk.

With FY2027 annual funding of \$97,750, reserves need at least \$195,500 to retain 5 points. The projected \$230,438.16 provides a \$34,938.16 margin. Combined operating/contingency support must exceed \$33,235 for 5 points. Governance falling from 62 to 58 becomes Adequate. Recalculate all affected figures, rather than treating any single margin as a guarantee of the assigned grade.

STABLE OUTLOOK AND INSUFFICIENT EVIDENCE

Stable requires supported stability at the assigned grade. Negative can remain Negative while a credible downside risk persists; Positive can remain Positive while credible improvement is not yet established. An outlook does not have to change at review. If direction cannot be supported, no outlook is assigned and the assessment is marked Under review. Missing evidence does not justify an unsupported grade. Approval, collection and work evidence are needed to remove the provisional qualification.

BOARD PRIORITIES AND RATING RULES

The actions below support reliable operations and stronger evidence. Suggested leads and timing are recommendations, not records of adopted Board decisions. Safety requirements and professional deadlines take priority over the rating calendar.

Priority	Suggested lead	Evidence to retain
Resolve safety and repair work	Board and contractors	Sprinkler scope, timing and closure; priced carryover work; completed-work register.
Reconcile funds and collections	Treasurer and bookkeeper	Bank reconciliations, fund ownership, interfund balances, collection status and accrued-bill timing.
Deliver and monitor FY2027 funding	Board and Treasurer	Approved assessment and collection evidence; available funds, realistic interest timing, repair costs and recurring service funding.
Complete governance evidence	Secretary and directors	Dated onboarding, handover and director-access records; comparable cost review; investment approvals and holdings.
Review after material changes	Board and ABC	Updated accounts and supporting evidence; audit adjustments, maintenance costs and changes in funding or controls.

HOW THE CALCULATED GRADE WORKS

Governance result	Financial Strong	Financial Adequate	Financial Weak
Strong	A	B	B
Adequate	B	B	B
Weak	B	B	C

Governance is Strong at 60–100, Adequate at 40 to below 60, and Weak below 40. Finance is Strong at 3.40–5.00, Adequate at 2.60 to below 3.40, and Weak below 2.60. The matrix calculates A for two Strong components and C for two Weak components; otherwise B. The assigned grade normally matches. Any permitted temporary retention must be separately explained, without changing actual scores. [7]

GRADE AND OUTLOOK ARE SEPARATE DECISIONS

Positive (+), Stable (no modifier) and Negative (–) describe expected direction, not compulsory future action. A robust projected letter change or, within a letter, a 0.50 financial or 8-point governance change is an analytical guide. A⁺ and C[–] are valid. Reaffirming both the assigned grade and outlook is valid when supported. At review, refresh the forecast, evidence and rationale; an outlook renewal cannot extend a temporary-retention deadline. [7]

Not Rated means there is not enough information to calculate a required score; it is not another letter grade. Unverified means an individual governance answer lacks supporting evidence. It earns no points until supported, but does not establish failure. [7]

ASSESSMENT BASIS AND SOURCE RECORDS

ABC prepared this analysis and assigned the rating. The assessment date remains August 31, 2026; this report is dated October 14, 2026. It applies the October 14, 2026 ABC Building Rating methodology and the current FY2027 budget. Amounts are Canadian dollars. FY2026 actual evidence, subsequent developments and forecasts are identified separately.

EVIDENCE AND SCOPE

The financial analysis uses FY2026 management accounts and each year's final FY2022–FY2025 audited statements. Governance scores are reconstructed from documented findings; the reserve study supports the maintenance analysis. ABC has not independently audited the accounts. Additional dated evidence may change the assessment. [1,2,4,7,9]

Governance and finances overlap because governance questions include cost and capital decisions. Their equal role in the rating does not make them independent measures. The rating helps identify strengths and weaknesses. It does not estimate the probability of financial default or confirm that all required work is complete. [3,7]

NUMBERED SOURCES

[1] HCCC #144 Management Report at August 31, 2026, prepared September 17, 2026, pp. 1–4. Unaudited profit and loss, balance sheet and aged receivable/payable schedules.

[2] ABC Park Place Residences Building Rating Report, October 6, 2026, assessment date August 31, 2026. Analytical source for the 25-question scorecards, financial history and record index, including final FY2022–FY2025 audited statements and dated governance correspondence.

[3] Raymond Spencer, The Condo Wealth Drain. Governance questions and scores, printed pp. 169–173; financial ratios and thresholds, pp. 180–186; component profiles and building-classification matrix, pp. 187–191.

[4] Bluenose Engineering, Reserve Fund Study for HCCC #144, signed March 12, 2025. Narrative pp. 29–30 and Appendix Tables A–C; Table C at Appendix p. 7. Historical study comparisons are documented in source [2].

[5] HCCC144 Park Place Residences FY2027 Budget and Funding Plan, October 14, 2026, \$110,000 assessment version. Excel sheets Financial Plan, Funding Plan and Reserve Outlook. Sources for annual funding, levy allocations, \$81,669 works, 2.5% interest and fund projections. Proposals and target balances do not establish approval, collection or completed work.

[6] HCCC144 Annual Owner Report for the year ended August 31, 2026, prepared October 4, 2026. Retrospective event and maintenance summary referencing correspondence, audit findings and meeting records.

[7] ABC Building Rating™ Methodology, October 14, 2026. Recurring annual funding; combined operating/accessible contingency liquidity; unchanged questions and score bands; calculated and assigned grades; outlook judgment, reaffirmation and temporary-deviation reviews. The methodology is proprietary; this report explains the applied rating decision.

[8] President's October 6, 2026 confirmations recorded in source [2]: self-management, briefing and files, filing status, utilities, funding intentions and first restoration of the three-director Board since 2021. Cutoff handover date remains unspecified.

[9] HCCC No. 144 final audited financial statements for the years ended August 31, 2022, 2023, 2024 and 2025. Each year: printed p. 3, separate fund balances; p. 4, operating costs and reserve transfers; pp. 5–6, reserve and contingency activity. FY2025 note 6, printed p. 10, confirms assessments totalling \$220,000.

ABC INTERESTS AND RESPONSIBILITIES

Raymond Spencer leads ABC and is also HCCC #144's President and an owner. This is an ABC analytical assessment, not an independent audit, engineering inspection, insurance guarantee or assurance of property value. Alliance membership does not determine the rating. The Board remains responsible for decisions, approvals and maintaining records.

APPENDIX GOVERNANCE SCORECARD

Scores reflect evidence at each August 31 assessment date. Yes = 4; Partial = 2; No = 0. Unverified earns no points because evidence is missing, not because failure is proven. FY2022–FY2023 governance is Not Rated. G1–G15 identify governance questions; full wording appears in the methodology. [2,3,7]

ID	Governance criterion	2024	2025	2026	Reason or qualification
G1	Board authority	2	2	4	Three directors restored; first since 2021 per President.
G2	Current financial reporting	2	2	2	Audits prepared; timely owner reporting not fully established.
G3	Direct access to records	2	2	2	Shared files confirmed; full cutoff access unverified.
G4	Documented Board decisions	2	2	2	Written decisions; full formal process incomplete.
G5	Recorded conflicts of interest	Unverified	2	2	Disclosure discussions evidenced from FY2025.
G6	Director onboarding	Unverified	Unverified	Unverified	Briefing confirmed; scope and cutoff timing unverified.
G7	annual general meeting minutes within one month	Unverified	2	4	FY2025 partial; FY2026 final circulation timely.
G8	Governing-document review	2	2	2	Review and drafts; implementation incomplete.
G9	Policies survive Board turnover	2	2	2	March 2024 communication policy carried forward.
G10	Director knowledge transfer	Unverified	Unverified	Unverified	Briefing confirmed; August completion undated.
G11	Regular owner updates	2	4	4	Broader owner updates from FY2025.
G12	Periodic governance review	2	4	4	More active governance review from FY2025.
G13	Contract conflicts and dependency	2	2	2	Review exists; systematic process incomplete.
G14	Transparent director elections	Unverified	Unverified	4	August 2026 election documented.
G15	Property-manager review	4	4	4	Performance scrutiny evidenced in all three years.
Governance discipline / 60		22	30	38	Cost and capital discipline follow.

An Unverified answer can earn points when evidence establishes the practice at the assessment date. Improvements after year-end belong to a later assessment. These historical scores should not be read as ratings published at the time.

APPENDIX COST AND CAPITAL SCORECARD

C1–C5 identify cost questions; K1–K5 identify capital questions. Each group adds up to 20 points to the governance score. These group totals explain the result and have no separate passing requirement. [2,3,7]

ID	Criterion	2024	2025	2026	Reason or qualification
C1	Comparable-building benchmarks	2	2	2	Contract and insurance comparisons; limited scope.
C2	Periodic competitive bids	2	2	2	Some competing quotes; full cycle not established.
C3	Annual line-by-line cost review	2	4	4	More complete expense review from FY2025.
C4	Recurring cost growth versus inflation	Unverified	Unverified	Unverified	Comparable growth unresolved after service and scope changes.
C5	Scale to dilute costs and risk	2	2	2	Partial credit for shared building costs; purchasing scale and resilience remain limited.
	Cost discipline / 20	8	10	10	
K1	Reserve funding versus study forecast	4	4	4	Above dated study balance benchmarks: 120%, 153%, 157%.
K2	Capital-preservation investment strategy	Unverified	Unverified	Unverified	Implemented reserve strategy not evidenced.
K3	Assessment considered before borrowing	Unverified	4	4	Owner-approved capital assessment in FY2025.
K4	Lifecycle replacement planning	2	2	2	Studies exist; planned-work completion incomplete.
K5	Contingency covers deductible	2	2	4	FY2026 reported balance covers \$25,000; cash backing requires confirmation.
	Capital discipline / 20	8	12	14	
	Total governance / 100	38	52	62	FY2026 Strong threshold: 60.

CONSISTENT INTERPRETATION

Cost control earns favourable credit when comparable recurring costs are controlled relative to inflation, after service gaps and scope changes are considered. The assessment considers changes in the services delivered and the reasons for cost movements. [3,7]

K1 credits reserve balances above the study's benchmark at each cutoff. FY2026 is 157% of the \$113,316 benchmark; the study's recommended funding path remains positive through 2049. This is a comparison under study assumptions, not proof of available cash or completed work. Reconcile carryover work and funding changes; a material difference could change K1. C5 partial credit is a qualitative judgment about shared building costs and limited scale, not an automatic score for ten units.

FY2026 result: governance $38 + 10 + 14 = 62/100$, Strong. Finance $(3 + 5 + 5 + 1) \div 4 = 3.50/5$, Strong. Calculated and assigned grade A, green; provisional Negative outlook. FY2027 projects 3.00 and calculated B. No temporary retention is currently applied. A future assigned-grade or outlook decision requires fresh evidence; neither changes automatically.