



ANNUAL REPORT



NATIONAL ROADS AUTHORITY OF CAYMAN ISLANDS

WWW.CAYMANROADS.COM

2015-2016

National Roads Authority

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Foreword

This Annual Report is for the National Roads Authority of the Cayman Islands (the 'NRA'). The report outlines the NRA's performance during the 2015-16 fiscal year and compares it to the budgeted performance for the corresponding period.

The requirement for an Annual Report is prescribed under section 52 of the Public Management and Finance Law (2013 Revision) (PMFL). Section 52 states:

"(1) In respect of each financial year, each statutory authority and government company shall prepare an annual report.

(2) An annual report shall report the performance of the authority or company and compare it with that proposed in the ownership agreement for that financial year and shall include -

(a) a summary of the **nature and scope of the activities** of the authority or company during that financial year;

(b) a summary of the extent to which the **strategic goals and objectives** of the authority or company described in the annual ownership agreement were achieved;

(c) a summary of the extent to which the **ownership performance targets** set out in the authority's or company's annual ownership agreement for that financial year have been achieved in that financial year;

(d) for the financial years -

(i) 2004/5 to 2007/8, unaudited financial statements; or

(ii) 2008/9 and onwards, **audited financial statements**,

which shall be prepared on a basis consistent with the forecast financial statements in the

authority's or company's annual ownership agreement for that financial year and contain the statements and information set out in Schedule 4.

(e) the amount of any **equity investment** made by the Governor in Cabinet in the authority or company during the financial year;

(f) the amount of any **capital withdrawals** made by the Governor in Cabinet from the authority or company during the financial year;

(g) the amount of any **dividends or profit distributions** paid by the authority or company during the financial year;

(h) the amount of any **loans** to the authority or company by the Governor in Cabinet during the financial year; and

(i) details of any **guarantees** relating to the authority or company made by the Governor in Cabinet during the financial year.

(3) The financial statements referred to in subsection (2)(d) shall be prepared within two months of the end of the financial year.

(3A) The financial statements referred to in subsection (2)(d)(ii) shall be submitted to the Auditor General for auditing, and the Auditor General shall express an opinion within two months of receipt of the financial statements.

(4) The annual report shall be presented to the Governor in Cabinet by the relevant minister or official member no later than four months after the end of the financial year."

This annual report complies with the requirements of the PMFL and covers three main areas:

- Service Delivery;
- Financial performance; and
- Governance.

The service delivery section outlines the contributions made by the NRA in furtherance of the Government's policy outcome goals. It also provides commentary which explains material variances in performance when compared to budget.

The financial performance section shows the financial resources the NRA was afforded in the 2015-16 budget and the inputs purchased to provide services. The financial performance is presented in the form of financial statements prepared in accordance with International Public Sector Accounting

Standards (IPSAS) and the supporting notes to those financial statements.

The report also includes a section on Governance which outlines the NRA's efforts in the areas of risk management, and compliance with various statutory requirements.



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Message from the Minister

The NRA is a key policy instrument of this administration's goal to build modern smart infrastructure. I am therefore pleased to present this 2015-16 annual report which outlines the Authority's achievements during the year; and provide an account for its use of public funds.

Through amendments to the NRA Law, the Government galvanized its commitment to continued investment in our transportation network by earmarking some \$50 million in revenue over 5 years for road maintenance and development.

As part of this commitment, I agreed a 5-year Corporate Strategic Plan ("CSP") with the NRA to address the maintenance and expansion needs of the road network between 2015 and 2020.

2015-16 was the first year under this agreement and I am very pleased with the outcomes that have been achieved.

Infrastructure investments which facilitate trade and interconnectivity is a key component of a thriving economy; indeed, the role of the road network as the backbone of commerce is more evident in the Cayman Islands than in many other countries.

Our roads connect our children to schools; workers to their jobs; and efficiently moves goods and services across the Island. It facilitates our power, water and telecommunication infrastructures while providing hundreds of jobs through its continual maintenance and expansion.

Through road infrastructure investment, opportunities are created for new communities, economic development, a more efficient



workforce and a greater sense of well-being among the Islands' population.

The road network is the single largest, and most valuable man-made asset owned by the people of the Cayman Islands.

It therefore gives me great comfort to have a team of highly skilled, committed and capable individuals at the helm managing this important asset and delivering this important work.

Through our policy framework, the Government will continue to support the creation of modern, smart infrastructure as a key to future growth and prosperity.

Yours sincerely,

Hon D Kurt Tibbetts OBE JP

Minister for Planning, Lands, Agriculture,
Housing & Infrastructure
First Elected Member of George Town

Message from the Chairman

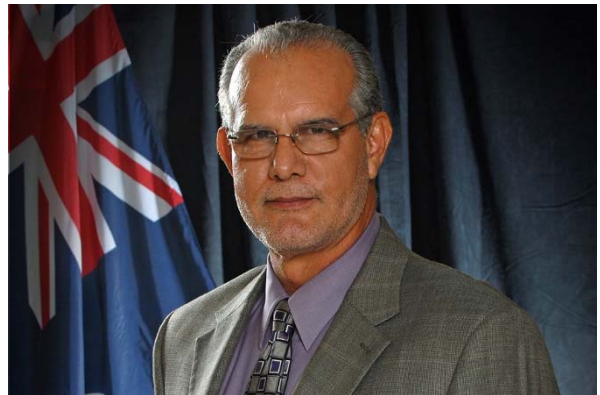
2015-16 was a successful year for the NRA. The Board's main focus during the period was to ensure stability, focus, and direction as the organization delivered on its legislative mandate while supporting the Government's policy outcome goals.

Through a robust recruitment process, we identified and appointed Mr. Paul Parchment as the new Managing Director to provide stable leadership for the foreseeable future.

Working with management and staff, the Board also supported the development of a CSP which sets out the governance arrangements and expectations of the organization between 2015 and 2020. This was a tangible means of focusing the organization while demonstrating its readiness to effectively manage and account for public resources.

The Board was also pleased to support a capital investment plan which will modernize the fleet, heavy equipment and tools of the NRA over a five-year period. The asset replacement programme will invest in modern and efficient equipment which will enhance the organization's service delivery capabilities and operational efficiency.

We firmly endorse the NRA's proactive strategy for the management of the road network. Whilst several of the projects carried out in 2015-16 may not appear to have immediate impacts in expanding or enhancing the road network, the organization is pursuing targeted, strategic investments which will reduce future road maintenance costs by proactively repairing key sections of the network before they reach the point of critical failure.



This strategy allows for effective work planning, long term sustainability, reliability, and a safe and efficient transportation network.

The Board is grateful to our private sector partners and to the management and staff of the NRA for the excellent work carried out in 2015-16 which made possible the achievements highlighted in this report.

We would also like to recognize the support of the Government in providing the policy framework and resources necessary to do our work; and of the general public for their patience and understanding as we maintain, expand and enhance the road network.

The Board remains committed to the continued development of the NRA, and reaffirms its support for the organization and its efforts to deliver the best transportation infrastructure to the people of the Cayman Islands.

Yours sincerely,

Donovan Ebanks
Chairman

Message from the Managing Director

I am pleased to present the National Roads Authority (NRA) Annual Report 2015-2016. Our first ten years in operation, since being established in 2004, have been very successful. By adding additional road capacity, we have significantly contributed to the overall economic stability of the country by opening new avenues of competitive regions for growth and development.

Given the pace of change going on around us, we have, during this fiscal year 2015-16, taken the time to review our strategy through the establishment of the Corporate Strategic Plan 2015-2020 to ensure alignment with our new business model, the expectations of our Parent Ministry, the Cayman Islands Government, and the needs of the people of the Cayman Islands.

The Corporate Strategic Plan 2015-2020 is structured upon our core business areas: Maintain, Manage Trips, Build, and Enable. Everything we do contributes to our core business. Our budget allocations are channelled to the highest priorities, to ensure that we remain focused on achieving our vision. Improving the trips and journeys that our customers - the road users - take is a key priority area for us.

We intend to focus more acutely on customer satisfaction by optimizing the experience of their daily travel on the road network. As we deliver on these commitments, we will keep all vested parties engaged by creating a service charter which specifies our commitment to our customers. We will endeavour to create a Customer Action Plan to fulfil these



commitments and keep the community informed on our progress through regular public reports demonstrating our performance. I look forward to working with my colleagues and stakeholder partners to deliver these commitments for the people of the Cayman Islands.

Your sincerely,

Paul Parchment
Managing Director

General Information

2015-16 At a Glance

| Financial Performance Measures | 2015-16 Actual | 2015-16 Target |
|--------------------------------|----------------|----------------|
| Revenue from Cabinet | 3,989,484 | 3,792,464 |
| Revenue from others | 10,213,505 | 10,074,140 |
| Total Revenue | 14,202,989 | 13,866,604 |
| Expenses | 6,054,775 | 6,542,458 |
| Surplus | 673,053 | - |

| Net-Worth | 2015-16 Actual | 2015-16 Target |
|-------------------|----------------|----------------|
| Total Assets | 7,767,054 | 6,180,818 |
| Total Liabilities | 2,936,672 | 2,039,762 |
| Net Worth | 4,830,382 | 4,141,056 |

| Cash Performance | 2015-16 Actual | 2015-16 Target |
|--------------------------------------|----------------|----------------|
| Cash Flows from Operating activities | 683,508 | 568,143 |
| Cash Flows from Investing activities | (850,376) | - |
| Cash Flows from Financing activities | - | - |
| Change in cash balances | (166,868) | 568,143 |

| Financial Performance Ratios | 2015-16 Actual | 2015-16 Target |
|-------------------------------------|----------------|----------------|
| Current Assets: Current Liabilities | 2.05 | 2.05 |
| Total Assets: Total Liabilities | 2.64 | 2.64 |

| Human Capital Measures | 2015-16 Actual | 2015-16 Target |
|--|----------------|----------------|
| Total Full Time Equivalent Staff Employed | 85 | 81 |
| Average length of service (Number of Years) | | |
| Senior management | 15.33 (3) | 14.33 (3) |
| Professional staff | 15.71 (28) | 14.71 (28) |
| Administrative staff | 14.00 (54) | 13.22 (50) |
| Significant changes to personnel management system | None | None |

| Physical Capital Measures | 2015-16 Actual | 2015-16 Target |
|--|----------------|----------------|
| Value of total assets | 5,717,375 | 5,128,688 |
| Asset replacements: total assets | 897,826 | 1,063,750 |
| Book value: initial cost | 1,734,336 | 1,564,852 |
| Depreciation: cash flow on asset purchases | 439,415 | 402,144 |

Nature & Scope of Activities

Nature of Activities

The general nature of activities of the NRA involves the management and development of public roads and related infrastructure in accordance with the National Roads Authority Law.

Scope of Activities

The scope of activities of the NRA include:

- providing policy advice;
- publication of a National Roads Plan;
- provision of project and construction management services for the delivery of new road-works; and
- the maintenance of the existing road infrastructure on behalf of Cabinet.

Additionally, the National Roads Authority provides support services to:

- Public Works Department to enable that Department to provide an appropriate response to hurricanes and other national emergencies, and
- Planning Department for the review of planning applications involving road related matters and the site inspection of road related constructed applications.

Customers and Location of Activities

Road users are the primary customers of the National Roads Authority. Income is generated by providing engineering, construction, and maintenance services for fund-holding Government Agencies, approved private sector clients, and any other entity that the Authority agrees to provide services to. Services are provided only in the Cayman Islands.

Approved Strategic Goals for 2015-16

- Continue establishment of the Authority, develop and implement effective administrative, financial and information management systems
- Identify and seek approval for strategies for financing future road development
- Continue the Traffic Improvement and Road Development Programmes.

VISION

To enhance the quality of life, promote economic prosperity, and improve access and mobility for all stakeholders in the Cayman Islands through customer focus, efficiency, effectiveness, impact and reputation.

MISSION STATEMENT

To provide sustainable transport and promote land development in the Cayman Islands for all stakeholders while having regard to the delivery of the National Roads Plan element of the National Development Plan 1997.

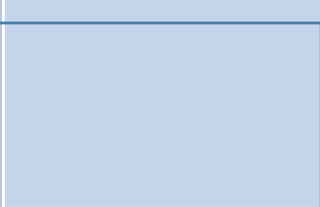
PURPOSE

Enabling safe and efficient road transport journeys throughout Grand Cayman.

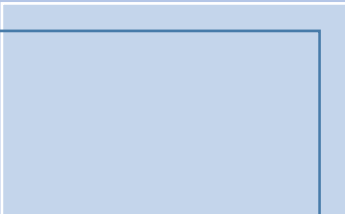
Our Board



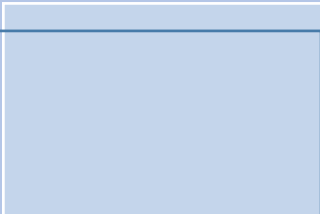
Donovan Ebanks- Chair



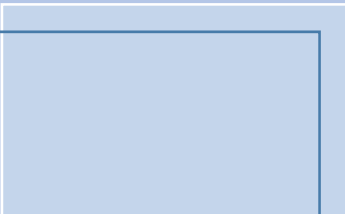
Financial Secretary Rep



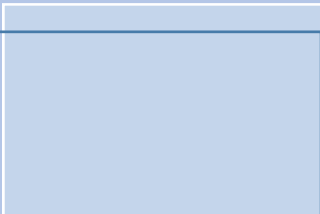
David Arch- Member



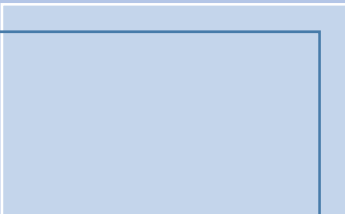
John Ebanks- Member



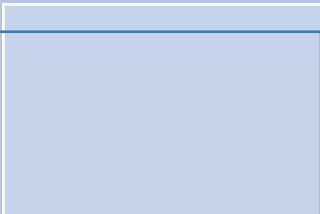
Gary Clarke- Member



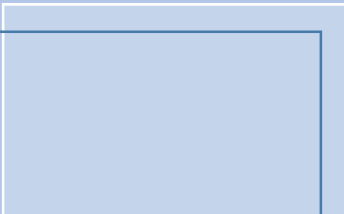
Kenross Connolly- Member



Stanley Panton- Member

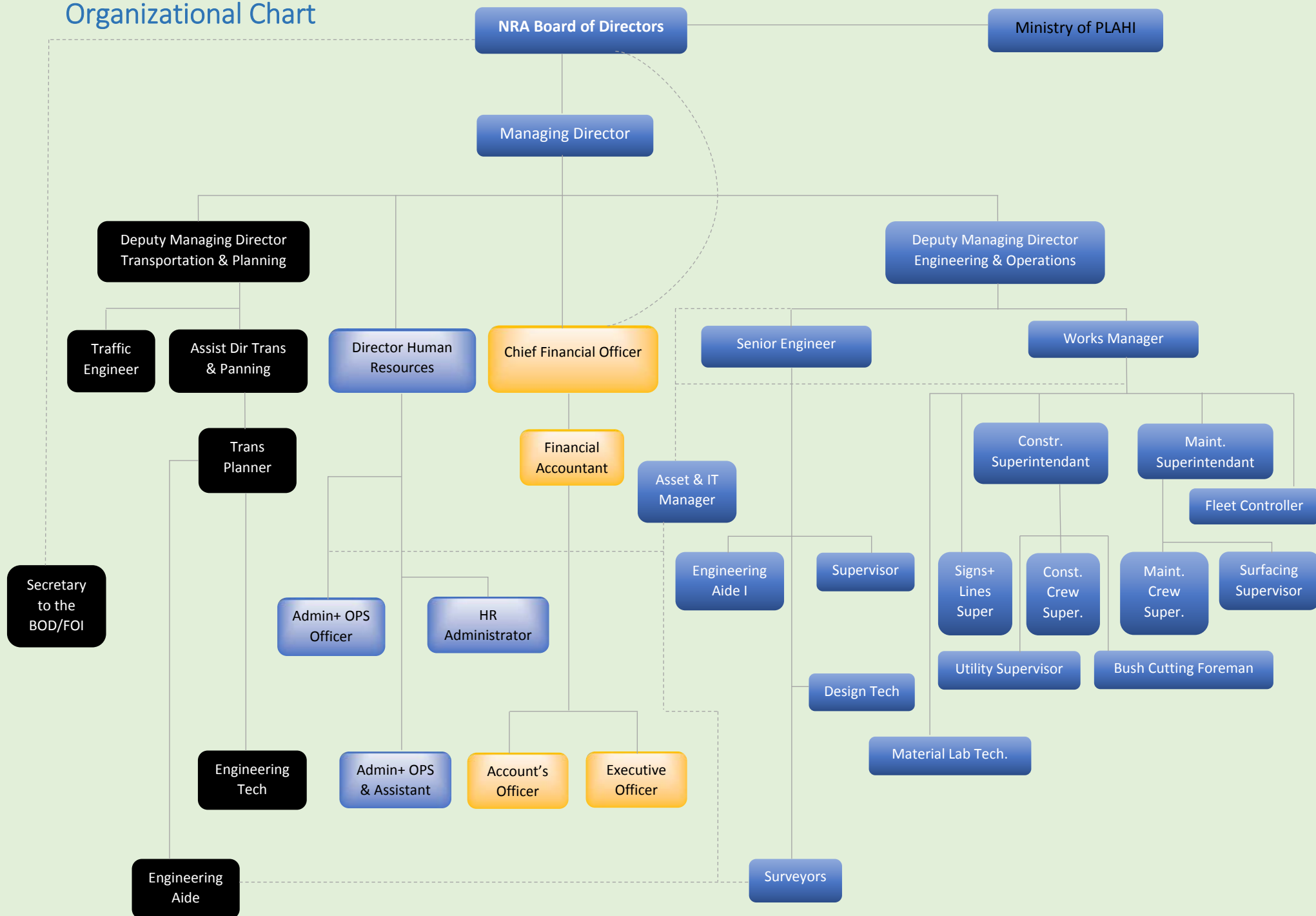


Dane Walton- Member



Tristan Hydes- Ministry Rep

Organizational Chart



Meeting our Legislative Mandate

The NRA has responsibility for the administration, management, control, development and maintenance of public roads and related facilities on Grand Cayman.

Shown to the right are 7 key functions carried out by the NRA to effectively discharge its mandate under the National Roads Authority Law 2006:

How we support the Government's Policy Outcome Goals

The NRA shares responsibility for supporting several Government Outcome Goals including:

- Facilitating a strong and thriving economy;
- Creating a more secure community;
- Creating an efficient, accessible and affordable Public Service;
- Supporting a culture of Good Governance; and
- Development of modern, smart infrastructure.

Economic prosperity requires interconnectivity. Those interconnections between businesses, workers, and communities are essential for trade, commerce, and future prosperity.

The government is supporting several key projects in the eastern districts which will assist in distributing economic activity to areas outside the capital.

Given our limited land mass and restrained ability to add major capacity to the network, the NRA supports Government's efforts to lessen the traffic loads heading into and out of George Town during peak periods.

Steps have therefore been taken to ready the network for future expansion and traffic loads

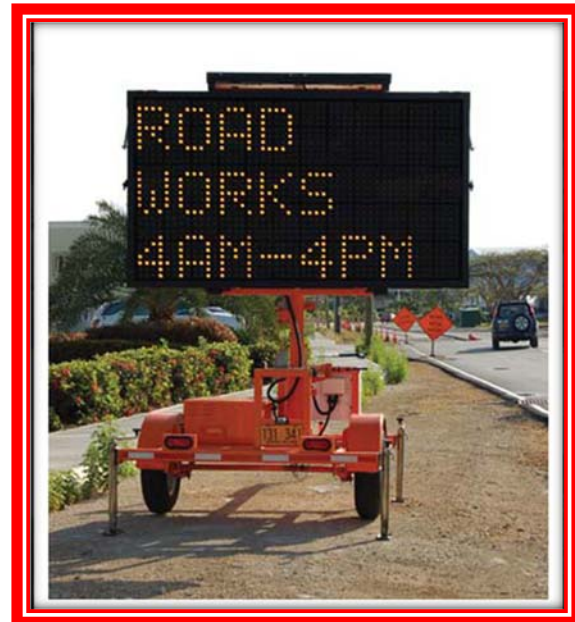


at key intersections such as the roundabout in Red Bay. We've also been improving sections of the network in areas like Pease Bay and other localities as part of our medium term plans.

Safety is always a principal consideration of any project carried out by the NRA. In 2015-16, the NRA undertook several efforts to improve the ability for motorists and pedestrians to safely use the network during all weather conditions and at all times of the day. These efforts include changes in the slope of key roundabouts, better lighting, wider road shoulders and repairs to road surfaces in key sections. Our signs and lines crews have also been busy in ensuring road users are adequately informed of work in progress, the presence of pedestrians and the correct use of the road network.

The NRA is a first responder in the event of a hurricane or other major disaster. Heavy equipment and crews are expected to maintain a constant status of readiness to clear debris, open road arteries, and assist with other restorative efforts as part of our disaster continuity and national security plan. Having the tools to effectively and efficiently respond to such incidences are an important aspect of **keeping our community secure**. The Board's approval in 2015-16 of our asset replacement programme will bolster our efforts to maintain a constant state of readiness to provide assistance following adverse events.

New equipment will also assist the NRA in becoming a **more efficient** public agency. Financial analysis showed that the vast sums spent annually on repairing and maintaining older equipment could be significantly reduced if certain equipment were decommissioned and replaced with newer models.



Beyond the expense associated with repair and maintenance, when a piece of equipment breaks, the worker who operates that equipment is often required to work in other areas which do not constitute optimal use of their time. This leads to lower levels of productivity and inefficient use of resources.

The NRA promotes a culture of openness, transparency and **good governance**. This philosophy permeates throughout our organization and informs the conduct of our staff and how we relate to our customers and shareholders.

Open communication and role clarity are important aspects of a good governance system. In 2015-16 we took steps in several key areas to ensure that our people at all levels of the organization have clear understanding on what the organization expects from their contribution, acceptable behavior standards and how they fit into the larger scheme of achieving better outcomes for the Cayman Islands.

We have also taken steps to improve our fiscal accountability by obtaining actuarial valuations for our post-retirement health and pension obligations. This information will be useful for financial planning to ensure the NRA will be in a position to meet those obligations when they fall due.

Our recent road network interventions are part of a longer term strategy to **build modern, smart infrastructure**. Whilst there will always be a need to for emergency repairs and maintenance to the 300+ miles of road network maintained, these efforts will be carried out in tandem with efforts to ensure the ability of the network to cope with future growth; reduce future maintenance cost; and improve the experience of our users.

This requires careful planning, innovative designs and studies to inform future traffic patterns. A key aspect of our efforts in this area is the mobilization of our Transportation Traffic Model.

By using this model, the NRA will be able to execute future road works with an informed perspective on how much traffic the road will likely carry, where junctions will be best located, how wide it should be, and the most efficient points for entry and exit.

It will also enable improvements to the existing network by advising on interconnectivity to spread traffic load across a wider section of the network thereby reducing the strain on certain sections. An example of this is the recent work carried out on Smith Road and the connection to Elgin Avenue. Users can now save commuting time moving from one area of George Town to the next whilst also reducing load on the CNB roundabout and the 4-way stop by the Cayman Islands Hospital.

Supporting Government's policy for modern, smart infrastructure will improve the efficiency of transportation infrastructure and deliver several ancillary benefits. An efficient transportation network can improve our citizens' quality of life by shortening commuting times, thereby allowing families to spend more time enjoying other social aspects of life.



The network can also reduce barriers to employment by making it possible for someone living in East End to take a job in West Bay whilst having a reasonable prospect of getting to that job within a reasonable period time. It also reduces carbon emissions by lessening the period vehicles are idling in traffic and saves consumers money through lower annual maintenance costs for their vehicles.

We believe these are worthwhile efforts and embrace our role in supporting these outcomes. The next section looks more specifically on some of the performance outcomes the NRA achieved in 2015-16 to support many of the outcomes discussed in this section.

Performance Outcome

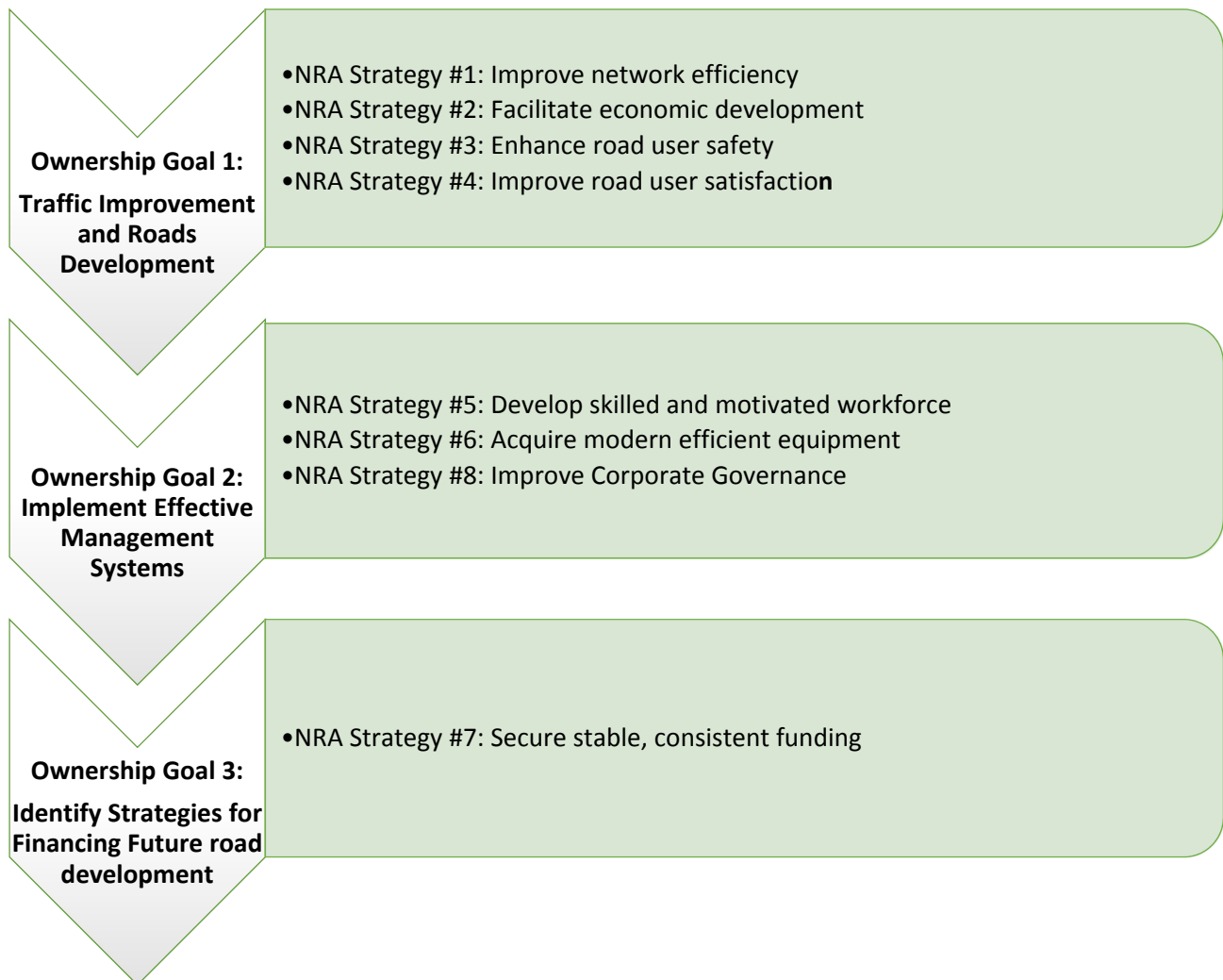


Strategic Overview

In accordance with the Ownership Agreement signed with the Cabinet for the 2015-16 Fiscal Year, the NRA is responsible for the following three key strategic ownership goals:

1. Continue the Traffic Improvement and Roads Development Programme;
2. Continue establishment of the Authority, develop and implement effective administrative, financial and information management systems; and
3. Identify and seek approval for strategies for financing future road development.

The CSP 2015-2020 incorporates the above strategic ownership goals and expands them into 8 specific strategies which collectively work towards meeting Cabinet's expectations.



During the fiscal year 2015-16 the NRA complied with the approved ownership goals by completing three major road surfacing upgrades, two new collector road upgrades as well as preliminary planning and design work for the George Town Revitalization programme.

The largest construction project undertaken by the NRA in 2015-16 was the widening of Smith Road and construction of Humber Lane to connect with Elgin Avenue. Final costs for this project were approximately \$2.1M.

Other noteworthy road projects included remedial works on the Esterley Tibbetts Highway (by the Island Heritage Roundabout), as well as the resurfacing of a badly deteriorated section of highway in Breakers near Midland Acres Development.

NATIONAL ROADS AUTHORITY
EXECUTIVE ASSETS FUNDED BY CABINET
AS AT 30 JUNE 2016

| | | Fiscal Year Ended 30th June, 2016 | | | 2015/16 Budget |
|--|--------------|-----------------------------------|-------------------|----------|-------------------|
| | | 2015-16 Actual | 2014-15 Actual | Variance | |
| MISCELLANEOUS ROAD SURFACE UPGRADES | EA36 | | | | 1,000,000 |
| EA36GT022/025 Smith Rd/Humber | | 2,098,646 | | | 1,552,262 |
| EA36WB021-ETH remedial works | | 356,834 | | | |
| EA36BT010-Midland Acres to BT | | 321,065 | | | |
| ASPHALT PAVING IN CAYMAN BRAC- (MINISTRY DAT&T) | EA55 | 144,950 | | | 120,000 |
| NEW COLLECTOR & ARTERIAL ROADS | EA126 | | | | - |
| EA126GT01-Fairbanks Rd Ext. | | 242,848 | | | |
| EA126GT02-Sparky Drive | | 180,823 | | | |
| GEORGE TOWN REVITALIZATION | EA142 | | | | 5,300,000 |
| EA142GT-George Town revitalization design work | | 50,525 | | | |
| EA142GT01-Snooze Lane paving | | 31,134 | | | |
| EA142GT02-South Sound Boardwalk | | 129,921 | | | |
| EA142GT03-Hospital parking lot repaving | | 142,669 | | | |
| EA142GT04-Linford Pearson Highway widening design | | 118,659 | | | |
| TOTAL | | 3,818,074 | - | - | |

Cabinet purchased approximately \$3.9 million of services from the National Roads Authority via its Executive Asset allocations for FY2015-16. The most significant of these was the Smith Road/Humber Lane project which began late in FY2015-16. Executive Asset funding is controlled by Cabinet via the Ministry of PLAH&I. Executive asset items typically include items involving land purchase, road surface upgrades, farm roads, special projects, etc. These are separate from the Recurrent road fund budget of approximately \$10M per annum.

Low oil prices reduced annual street lighting costs resulting in a net savings of approximately \$500K under NRA 10 – Government Street Lighting Programme. NRA expects these costs to normalise in the following year as the price of oil stabilizes.

NATIONAL ROADS AUTHORITY
RECURRENT BUDGET
AS AT 30 JUNE 2016

| | | Fiscal Year Ended 30th June, 2016 | | | 2015/16 Budget | Funds Available |
|---|---|-----------------------------------|-------------------|----------|-------------------|--------------------|
| | Services to be provided from NRA Road Fund | 2015-16 Actual | 2014-15 Actual | Variance | | |
| Planning & Development of New Public Roads | NRA 5 | 601,235 | | | 472,360 | (128,875) |
| Grand Cayman District Roads Programme | NRA 6 | 2,255,496 | | | 2,379,300 | 123,804 |
| Policy Advice on Road Related Matters | NRA 7 | 21,218 | | | 21,218 | - |
| Storm Water Drain Wells | NRA 8 | 39,118 | | | 106,090 | 66,972 |
| Routine Maintenance of Public Roads | NRA 9 | 5,008,463 | | | 4,667,960 | (340,503) |
| Government Street Lighting Programme | NRA 10 | 1,142,459 | | | 1,658,280 | 515,821 |
| Pavement Management & Other Asset Mgt. Programmes | NRA 11 | 91,754 | | | 106,090 | 14,336 |
| Road Safety & Roadside Guard Rail Installation Programme | NRA 12 | 114,336 | | | 185,657 | 71,321 |
| Explosive & Blasting Management | NRA 13 | 33,581 | | | 53,045 | 19,464 |
| Arterial Road Surface Rehabilitation | NRA 14 | 136,229 | | | 350,000 | 213,771 |
| TOTAL | | 9,443,889 | - | - | 10,000,000 | 556,111 |

Recurrent and Executive Asset revenue combined gave the NRA approximately \$14M in revenue.

Ownership Goal 1: Traffic Improvement and Roads Development

To continue the Traffic Improvement and Roads Development Programme

The NRA employs a small core of transportation engineers and planning professionals who advise on all matters relating to transportation planning, traffic, roads development, and funding.

One of the main tasks of the NRA's transportation unit is to assist in the development of a long term (20-25 year) roads plan. From the long term plan, a short term plan is developed; this short term plan consists of roads and roads improvements that are deemed as critical within 3 to 5 years.

Transportation Planning Activities:

- a. Recurrent Activities – Some of the main activities of the transportation unit for FY2015-16 were as follows:
 - In addition to numerous meetings and site inspections with various land developers to advise them on roads and drainage requirements, the transportation unit prepared assessments and provided commentary to the Central Planning Authority on onehundredandninety-two (192) planning applications;
 - A total of fifty-eight (58) reviews of storm water/drainage applications were carried out and commentary provided to the Central Planning Authority;
 - Forty-seven (47) site inspections were performed for the Building Control Unit for the issuance of Certificates of Occupancy or road inspections for subdivisions.

The following table provides a breakdown of the type of developments assessed or inspected during the 2015-16 Fiscal Year:

| Development Type | Plan Reviews | SWM/ Drainage Plan Reviews | Inspections |
|-------------------------|--------------|----------------------------|-------------|
| Commercial | 32 | 10 | 8 |
| Government | 7 | 2 | 1 |
| Hotel | 1 | 2 | N/A |
| Industrial | 10 | 2 | 1 |
| Institutional | 9 | 4 | 1 |
| Residential | 42 | 24 | 18 |
| Subdivisions/ Road Base | 63 | 11 | 18 |
| Miscellaneous | 28 | 3 | N/A |
| Total | 192 | 58 | 47 |

- Eighty-one (81) due diligence letters were written in response to enquiries from attorneys and real estate agents dealing with land purchases;
- One (1) complaint investigated following the completion of road works carried and requests resulted in having boundary markers re-instated.

NRA Strategic Goal #1: Improve Network Efficiency

Greater efficiency will be pursued through a combined strategy to expand the network through additional lanes and points of connection where possible, while seeking to reduce future demand through the promotion of mass and public transport use. To make public transport more attractive, we will work with the Public Transport Unit (PTU) to devise strategies and partnerships focused on improving the capacity and reliability of the Islands' bus services while also seeking ways to modify the physical network to favour public transportation.

| Objectives | Performance Measures | Targets | Actual Achievement 2015-16 |
|---|---|--|---|
| 1.1. Increase existing network capacity | <ul style="list-style-type: none"> ✓ Miles of additional lanes added ✓ Approved and executed maintenance programme | <ul style="list-style-type: none"> ✓ Widen Esterley Tibbetts to 4 Lanes by Dec. 2017 ✓ Widen Bobby Thompson way by Dec. 2017 ✓ Widen Linford Pierson to 4 lanes by Dec. 2017 | <ul style="list-style-type: none"> ✓ Started and in progress ✓ Started and in progress ✓ Started and in progress |
| 1.2. Improve design for future network additions | <ul style="list-style-type: none"> ✓ Approval of SOP | <ul style="list-style-type: none"> ✓ Manual developed and completed by June 2016 | <ul style="list-style-type: none"> ✓ Accomplished |
| 1.3. Ensure strategic access and departure to and from major roadways | <ul style="list-style-type: none"> ✓ Approval and adoption of access management plan ✓ Linear feet of additional medians built | <ul style="list-style-type: none"> ✓ Access management plan to be completed and approved by December 2016 ✓ 1,000 feet of additional medians built by December 2017 | <ul style="list-style-type: none"> ✓ Accomplished ✓ Started and in progress |
| 1.4. Measure performance of road network | <ul style="list-style-type: none"> ✓ Road performance surveys done quarterly ✓ Number of deployments for speed measurement devices ✓ Development of traffic forecasting and demand model | <ul style="list-style-type: none"> ✓ Quarterly performance surveys implemented by January 2016 ✓ Average vehicle speed on the Network measured twice annually ✓ Traffic demand and forecast model developed and implemented by December of 2016 | <ul style="list-style-type: none"> ✓ Not achieved, planned for 2016-17 ✓ In progress ✓ Achieved in 2015-16 |

| Objectives | Performance Measures | Targets | Actual Achievement 2015-16 |
|--|---|--|--|
| 1.5. Increase interconnectivity | <ul style="list-style-type: none"> ✓ Miles of additional connecting roads ✓ Reduction in travel time | <ul style="list-style-type: none"> ✓ Connector for Elgin Ave. to Crewe Road at Mango Tee by Dec. 2017 ✓ Connector for Elgin Ave. to Smith Road by Dec. 2018 ✓ Connector for Willie Farrington to Reverend Blackman drive by Dec. 2018 ✓ Connector for Elgin Avenue to Eastern Avenue by Dec. 2018 ✓ Godfrey Nixon extension to Mary St. by Dec. 2018 ✓ Owen Roberts Dr. to North Sound connector by Dec. 2018 ✓ Walkers Rd. to John Gray connector by Dec. 2019 ✓ Water Course Road to NW Point Connector by Dec. 2019 | <ul style="list-style-type: none"> ✓ In Progress ✓ Started and in progress ✓ On schedule ✓ On schedule ✓ On schedule ✓ On schedule ✓ On schedule ✓ On schedule |
| 1.6. Reduce load factors on existing road arteries | <ul style="list-style-type: none"> ✓ Number of bypass roads built ✓ Number of CPA meetings attended ✓ Number of media campaigns held ✓ Number of joint initiatives with PTU to promote public transport | <ul style="list-style-type: none"> ✓ Airport bypass by December 2018 ✓ Extension of Anton Bodden West by Dec. 2020 ✓ 100% attendance at CPA meetings ✓ Annual media campaign to encourage car pooling | <ul style="list-style-type: none"> ✓ On schedule ✓ On schedule ✓ Achieved ✓ Planned for 2016 |
| 1.7. Reduce peak period congestion | <ul style="list-style-type: none"> ✓ Number of strategy meetings held and policies developed ✓ Number of employer programs | <ul style="list-style-type: none"> ✓ Quarterly meetings ✓ Agreement with employers of 15% of workforce on flexi-time by December 2017 | <ul style="list-style-type: none"> ✓ Planned ✓ On schedule |

Traffic Data Collection Program - The last comprehensive traffic data count survey was carried out in 1999. Since that time, significant developments and expansion of the arterial and collector road network has occurred on Grand Cayman. Consequently, the NRA in late October 2015, offered a public tender for a comprehensive traffic data collection program for the island of Grand Cayman. The scope of services entailed the following traffic data collection requirements:

- Forty (40) intersections Turning Movement Counts (TMC) for 7-hour duration; and,
- One-hundred and fifty-three (153) Automatic Traffic Recorder (ATR) count locations collected continuously for seven (7) continuous days.

The successful bidder was SEMIC S.A. de C.V. for a contract value of approximately \$170K. Project Deliverables for the 2016 Traffic Data Collection program by SEMIC were as follows:

- ✓ Forty-one (41) individual spreadsheet TMC files which summarized turning movements at each leg of the intersections surveyed by vehicle classification at:
 - a) 15-minute and
 - b) 1-hour intervals.
- ✓ Individual spreadsheet files ATR data which consists of:
 - a) Volume and Classification for 153 count stations and
 - b) Volume and Speed for 153 count stations for seven (7) days of collection.

The data was provided in 15-minute and 1-hour interval for each direction and combined as link volumes.

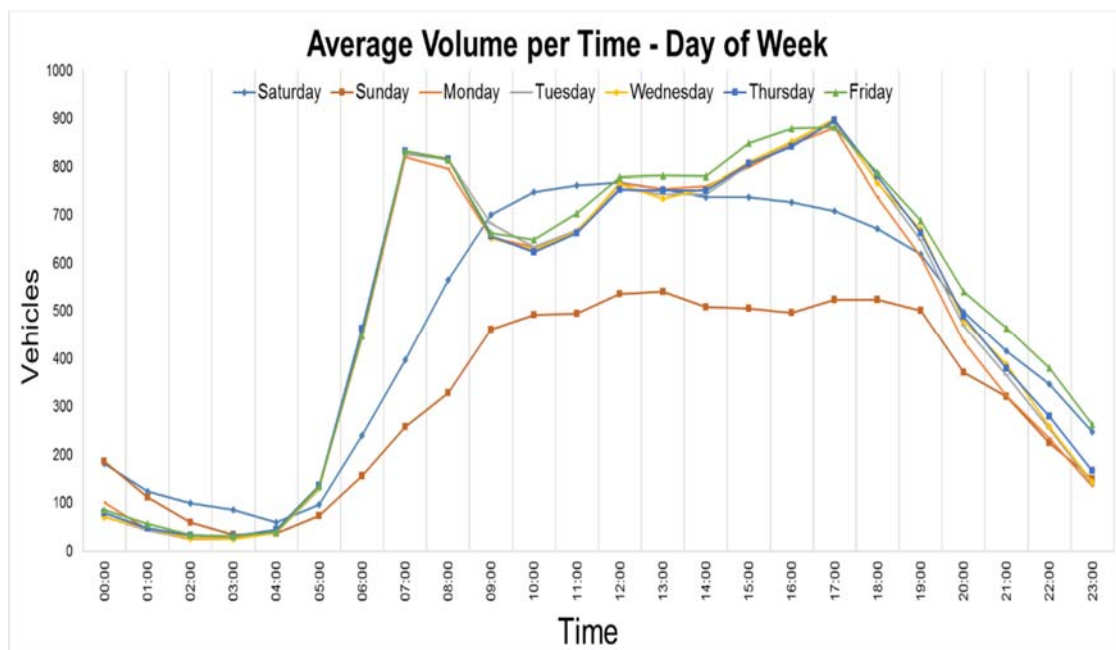
TMC Findings and Summary

- ✓ Six (6) of the forty-one (41) intersections had a total vehicle volume within the range of 16,000 - 24,000 vehicles (corresponding to the sum of the three study periods of the day).
- ✓ Twenty-eight (28) of the forty-one (41) intersections studied showed a vehicular volume in a range of 8,000 - 16,000 vehicles.
- ✓ The seven (7) remaining intersections showed vehicular volumes lower than 8,000 vehicles.
- ✓ At the intersection of North Sound Road and Dorcy Drive / Kentsville Drive, the highest percentage of heavy vehicles (Bus + Trucks) was observed during the study period (7.1%, 851 vehicles).
- ✓ At the intersection of Smith Road and Crewe Road, the highest flow of vehicles turning right (4,397 vehicles, from east to the north) in the study period was observed.
- ✓ At the intersection of Harbour Drive / North Church Street, a total of 3,117 pedestrians were observed during the study period.
- ✓ Approximately 50% of the intersections have a Peak Hour Factor of more than 0.95 indicating high traffic volumes and potentially road capacity problem that will need further assessment.
- ✓ At four (4) intersections (IDs 10, 20, 28 and 34) the highest value of PHF was observed at around 0.98.
- ✓ Approximately 50% of the intersections presented their peak hour condition as being between 07:00 and 09:00 am.

ATR Findings and Summary – Volumes and Classification

- ✓ At 23 of the ATR stations (15% of the total number of stations) the Weekday Average Daily Traffic (WADT) observed was in the range of 20,000 to 37,000 vehicles per day (vpd).
- ✓ At 56 ATR stations (37% of the stations), the WADT observed was in the range of 10,000 - 20,000 vpd.
- ✓ For the remaining 74 ATR stations (or 48% of the stations), the WADT observed was in the range of 500 to 10,000 vpd.
- ✓ The ATR station that presented the highest percentage of trucks (4.4%) was the ID - 309 located on Portland Rd (west of Tortuga Way).
- ✓ The station ID - 714 located at Shamrock Road, west of Selkirk Drive registered the highest WADT, which was about 36,300 vpd.
- ✓ From all 153 ATR stations, the observed traffic flows across the network are classified as follow: 98.5% are cars, 0.4% buses and 1.1% trucks.

Taken from SEMIC final report, the chart below shows the average hourly traffic flows observed for each day throughout the network. It is noted that weekday traffic flows display similar patterns of behaviour from day to day and that weekend patterns are different to those from Monday to Friday. The peak hours on weekdays are generally from 7:00 to 8:00 am for the morning and from 5:00 to 6:00 pm for the afternoon.



ATR Findings and Summary – Speed and Volumes

An analysis of the direction with higher value of average speed at each ATR station, the following information was determined:

- ✓ At 56 stations (37% of the total number of stations), the average point speed was in the range of 30 - 55 mph.
- ✓ At 72 stations (47% of the total) the average point speed was in the range of 20 - 30 mph.
- ✓ At 25 stations (16% of the total), the average point speed was below 20 mph.
- ✓ The maximum average point speed 50.91 mph observed is station 114 (ETH south of Willie Farrington Connector). Here, the maximum value of the 85th percentile of the point speed was recorded; this value was of 56.30 mph.
- ✓ At 87 (57% of the total) stations, the 85th percentile point speed was in the range of 30 - 57 mph.
- ✓ At 49 stations (32% of the total), the 85th percentile point speed was in the range of 20 - 30 mph.
- ✓ At 17 stations (11% of the total), the 85th percentile point speed was below 20 mph.



NRA Strategic Goal #2: Facilitate Economic Development

The NRA will contribute to economic growth through infrastructure provisions, enhancements to our tourism product, and increased worker productivity.

| Objectives | Performance Measures | Targets | Actual Achievement 2015-16 |
|--|---|---|--|
| 2.1. Support major public infrastructure projects | <ul style="list-style-type: none"> ✓ Number of meetings attended ✓ Policy directives implemented ✓ Policy and advice given ✓ Road designs developed | <ul style="list-style-type: none"> ✓ Attendance at 100% of meetings when invited ✓ 100% implementation of policy directives ✓ Advice and designs within agreed timeframes ✓ Implement traffic model | <ul style="list-style-type: none"> ✓ Achieved ✓ Achieved ✓ Achieved ✓ Achieved |
| 2.2. Support major private infrastructure projects | <ul style="list-style-type: none"> ✓ Meetings and presentations attended ✓ Number of projects where quality control oversight is provided | <ul style="list-style-type: none"> ✓ 100% Attendance at relevant meetings and presentations when invited ✓ Quality control presence on 100% of private sector led road projects ✓ Airport to Camana Bay connector road by Dec. 2017 ✓ Extension of East West Arterial by Dec. 2019 | <ul style="list-style-type: none"> ✓ Achieved ✓ Achieved ✓ In progress ✓ In progress |
| 2.3. Reduce lost productivity | <ul style="list-style-type: none"> ✓ Reduction in time for travel from various points ✓ Number of additional road connection points constructed ✓ Development of policy regarding work on the network by statutory undertakers ✓ Percentage improvement in road construction efficiency | <ul style="list-style-type: none"> ✓ 20% reduction in average travel time from West Bay and all points east of George Town by 2020 ✓ Dorcy Drive to Shedden Rd. connector by Dec. 2018 ✓ Preparation of Statutory undertaker road work policy by Dec 2017. ✓ 10% improvement in efficiency for road construction work by 2018 | <ul style="list-style-type: none"> ✓ In progress ✓ In progress ✓ In progress ✓ In progress |
| 2.4. Improve the experience of Tourists and visitors using the network | <ul style="list-style-type: none"> ✓ Provide technical expertise by private sector developer for bypass road ✓ Reduce speed limit on west bay road and enhance pedestrian crossings ✓ Improve signage throughout the Island | <ul style="list-style-type: none"> ✓ Technical expertise provided within agreed timeframe ✓ Pedestrian improvements to West Bay road completed by June 2016 ✓ Signage audit and improvement work completed by December 2016 ✓ Red Gate road extension to Airport by Dec. 2015 | <ul style="list-style-type: none"> ✓ Achieved ✓ Achieved ✓ In progress ✓ Achieved |

- Smith Road and Humber Lane (started FY 2015-16 with the Humber Lane extension to be finished in FY 2016-17) – Smith Road was widened to a two lane road with a centre turn lane. An additional crosswalk was put in place by the hospital as well as a mini-roundabout at the junction with Humber Lane and Anthony Drive. Humber Lane, by the Government parking lot, was extended to provide

interconnectivity between Smith Road and Elgin Avenue. Drainage as well as pedestrian facilities were upgraded along both roads.

- Esterley Tibbetts Highway (ETH) Remedial Works – “Dips” along the road surface in the vicinity of the Island Heritage roundabout were remediated by adding to, and re-compacting the base beneath the road surface.
- Sparky Drive – In conjunction with landowners the NRA was able to reconstruct the entire length of Sparky Drive to meet minimal road and drainage standards.
- Fairbanks Road – Road improvements to provide improved access.
- Bodden Town Road Resurfacing (vicinity of Midland Acres) – The road shoulder along this stretch was widened and resurfaced to fifty (50) ft. for compliance with the 1977 gazette of Boundary Plan 9. This was done in order to provide adequate clear zone for a road operating at a speed of 50MPH. The project continues into fiscal year 2016-17.



District Roads Programme - The following district roads were reconstructed and/or resurfaced with surface treatments under this programme. The MicroPAVER pavement management database was used to select the roads to be worked on and what type of work would be performed.

Abbreviations: R&R = Rip and Relay (Reconstruct the Road Base); SC = Spray and Chip (Surface Treatment)

| GEORGE TOWN | COST KYD | REPAIR TYPE |
|--------------------------------------|----------|-------------|
| BRONZE ROAD | 27,466 | R&R |
| ABBEY WAY | 64,567 | R&R |
| OUTPOST ST | 52,613 | R&R |
| LORD'S WAY | 31,526 | R&R |
| FAIRFAX WAY | 5,878 | S&C |
| WOODSTOCK RD | 14,979 | R&R |
| JASMINE LANE | 9,257 | R&R |
| LOGWOOD WAY | 67,790 | R&R |
| GRAPE AVE | 6,390 | S&C |
| SPOTTS SHOULDER OPPOSITE SPOTTS DOCK | 3,803 | S&C |
| OLD PROSPECT RD | 6,343 | R&R |
| MCCLENDON DRIVE SHOULDER | 3,300 | R&R |
| JUMP LINK | 1,834 | R&R |
| OMEGA DR | 38,534 | R&R |
| BUCKBOARD CL | 1,143 | R&R |
| BAYSIDE CT | 4,759 | R&R |
| MAHOE ST | 5,806 | S&C |
| CHINABERRY DR | 20,156 | R&R |
| GRACE ST | 28,476 | S&C |
| DYKEWOOD DR | 18,806 | R&R |
| DALLAS LN | 3,340 | R&R |
| COCONUT DR | 3,709 | R&R |
| HIBISCUS LN | 2,467 | S&C |
| WHITEMAN SEYMOUR RD | 24,405 | R&R |
| CATERPILLAR LN | 13,924 | R&R |
| CRANBROOK DR | 23,467 | R&R |

| GEORGE TOWN CONTINUED | COST KYD | REPAIR TYPE |
|-----------------------|----------|-------------|
| LANATANA WAY | 2,478 | R&R |
| CRUZ LN | 895 | R&R |
| PARKWAY DR | 49,552 | R&R |
| HELEN DR | 23,467 | R&R |
| BERNARD DR | 13,729 | R&R |

| WEST BAY | Cost | Repair Type |
|------------------|--------|-------------|
| Maliwinas Way | 19,353 | R&R |
| Florrie Dell Rd | 8,747 | R&R |
| Judes Ln | 17,862 | R&R |
| Bahama Cl | 9,157 | R&R |
| Bonsal Cres | 31,384 | R&R |
| Robert Rivers Cl | 10,650 | R&R |
| Blunt Ln | 6,903 | R&R |
| Sea Fan Dr | 7,600 | R&R |
| Lindys Walk | 4,811 | R&R |
| Mona Lisa Way | 12,451 | R&R |
| Uncle Joes Way | 12,579 | R&R |
| Ruby Ln | 23,640 | R&R |
| Guinep Ln | 5,354 | S&C |
| Courtyard Dr | 16,064 | R&R |
| Wave Cl | 3,815 | S&C |
| Australis Dr | 11,598 | R&R |
| Top Sail St | 7,085 | S&C |
| Aurora Dr | 14,805 | R&R |
| Chevy St | 1,816 | S&C |
| Boreal St | 27,337 | R&R |

NRA Strategic Goal #3: Enhance Road User Safety

Improved design, an enhanced maintenance program and improved signage will better cater to the needs of drivers and pedestrians. These efforts will be augmented by improved lighting and aesthetics of the network.

| Objectives | Performance Measures | Targets | Actual Achievement 2015-16 |
|--|---|--|---|
| 3.1. Reduce number of accidents attributable to road factors | <ul style="list-style-type: none"> ✓ Number of roundabouts redesigned ✓ Reports and designs reviewed ✓ PCI rating ✓ Safety audit reviewed and report prepared ✓ Implementation of recommendations ✓ Number of hazards identified and actioned | <ul style="list-style-type: none"> ✓ All major roundabouts redesigned by 2019 ✓ RCIPS reports and road designs reviewed at least quarterly ✓ Achieve PCI rating of at least 80 on all primary and secondary road surfaces (subject to funding availability) ✓ Safety recommendations presented by January 2016 | <ul style="list-style-type: none"> ✓ In progress ✓ In Progress ✓ In progress ✓ Did not achieve |
| 3.2. Improve safety for pedestrians and cyclists | <ul style="list-style-type: none"> ✓ Miles of dedicated bike lane on the network ✓ Feet of sidewalk constructed ✓ Areas of complete darkness on major roadways ✓ Miles of road shoulders improved ✓ Number of additional pedestrian crossings | <ul style="list-style-type: none"> ✓ Increase percentage of bike lanes available on the network by 20% by 2018 ✓ Add approximately 500 feet of new sidewalk by December 2020 ✓ Less than 5% of major roadways having complete darkness ✓ 5 miles of improved shoulders by December 2020 ✓ 5 new Pedestrian crossings by Dec. 2015 | <ul style="list-style-type: none"> ✓ In progress ✓ In progress ✓ In progress ✓ In progress ✓ completed |
| 3.3. Improve education among road users | <ul style="list-style-type: none"> ✓ Number of road user education campaigns ✓ Recommendations for revisions to road code handbooks ✓ Digital and other signs deployed when necessary ✓ Number of meetings attended for Traffic Management Panel | <ul style="list-style-type: none"> ✓ Twice annually campaigns ✓ Review of road code handbook on an annual basis ✓ 95% deployment of appropriate signs when necessary ✓ 100% attendance by suitably qualified individuals at TMP meetings | <ul style="list-style-type: none"> ✓ Planned ✓ In progress ✓ In progress ✓ Achieved |
| 3.4. Improve safety of road design | <ul style="list-style-type: none"> ✓ Road performance audits done quarterly ✓ Completion of review ✓ Improvements in road designs implemented | <ul style="list-style-type: none"> ✓ Quarterly performance surveys implemented by January 2016 ✓ Review completed by June 2016 ✓ Improve intersection of Crewe Rd. and Smith Rd. by Dec. 2017 | <ul style="list-style-type: none"> ✓ Did not achieve ✓ In progress ✓ In progress |
| 3.5. Reduce drainage time for rainwater | <ul style="list-style-type: none"> ✓ Number of drainage wells installed ✓ Number of times per | <ul style="list-style-type: none"> ✓ 250 new drainage wells by December 2020 ✓ Drainage wells cleared at | <ul style="list-style-type: none"> ✓ In progress ✓ In progress |

| | | | |
|--|--|---|---------------|
| | year drainage wells cleared ✓ Rate of drainage for water on new roads | ✓ least 3 times per year Belford Estates drainage improvement by Dec. 2015 | ✓ completed |
| 3.6. Reduce speed in residential neighborhoods | ✓ Number of speed tables installed | ✓ Installed speed tables in 75% of areas where they are required by June 2018 | ✓ In progress |

Traffic Calming Programme - The NRA continued the implementation of speed humps in neighborhoods throughout Grand Cayman in the following areas:

| Location | Type | Quantity |
|-----------------------|----------|----------|
| Marble Drive – GT | New | 2 |
| Sparky Drive - GT | New | 2 |
| Condor Drive – BT | Modified | 2 |
| Scotts Barcadere – GT | Modified | 2 |
| Outpost Street – GT | Modified | 5 |

Traffic Management Panel (TMP)

- Pedestrian Crossing by Presbyterian Church in WB October 2015
- Pedestrian Crossing upgrades – BT Primary School; Savannah Primary School; 7th Day Adventist on Walkers Road October 2015
- Pedestrian Crosswalk – St. Matthews October 2015
- Double Yellow Lines on Hawkins Drive in GT November 2015
- Double Yellow Lines on Lawrence Blvd by Heritage House November 2015
- Double Yellow Lines on Ellis Conolly Drive in BT April 2016
- Double Yellow Lines on Homestead Crescent in BT April 2016

Storm Water Management and Drainage Well Drilling Programme -

| Well Location | District | Type of Work | No# of Wells | Approximate Cost KYD |
|--------------------------------|----------|------------------------------|--------------|----------------------|
| Watlers Road | GT | Redrill one 10" dia; new 10" | 2 | 5,200 |
| Butterfly Circle | BT | New 8" dia | 1 | 4,000 |
| Vienna Circle | GT | New 8" dia | 1 | 4,000 |
| Bronze Road | GT | Redrill 8" dia; New 8" | 2 | 5,200 |
| Victory Avenue | GT | Redrill 8" dia. | 2 | 2,400 |
| Party Lane | GT | New 8" dia | 2 | 8,000 |
| Anthony Drive | GT | Redrill 8" dia | 6 | 7,200 |
| Sound Way | GT | New 8" dia | 1 | 4,000 |
| Zeedah Crescent & Coemer Drive | GT | New 8" dia | 1 | 4,000 |
| Redgate Road | GT | New 8" dia | 1 | 4,000 |
| Birch wood Road | GT | New 8" dia | 1 | 4,000 |
| Sound Road | GT | New 8" dia | 1 | 4,000 |
| North Side Road | NS | New 8" dia | 1 | 4,000 |
| Savannah Avenue | BT | New 8" dia | 1 | 4,000 |
| Behind Serv u Well | GT | Redrill 8" dia | 1 | 1,200 |



NRA Strategic Goal #4: Improve Road User Satisfaction

Achieving a user satisfaction score of 95%, or better within 10 years is our long-term goal, however, over the next five years, through customer surveys, we hope to achieve an average user satisfaction rating of at least 80%. To achieve this, we will embark on a multi-year program to raise the PCI standard across the network and improve safety and aesthetic standards. We will also work collaboratively with other infrastructure providers and private developers to improve user satisfaction by providing advice on access management for major developments while collaborating with local authorities to identify interventions on and off the network.

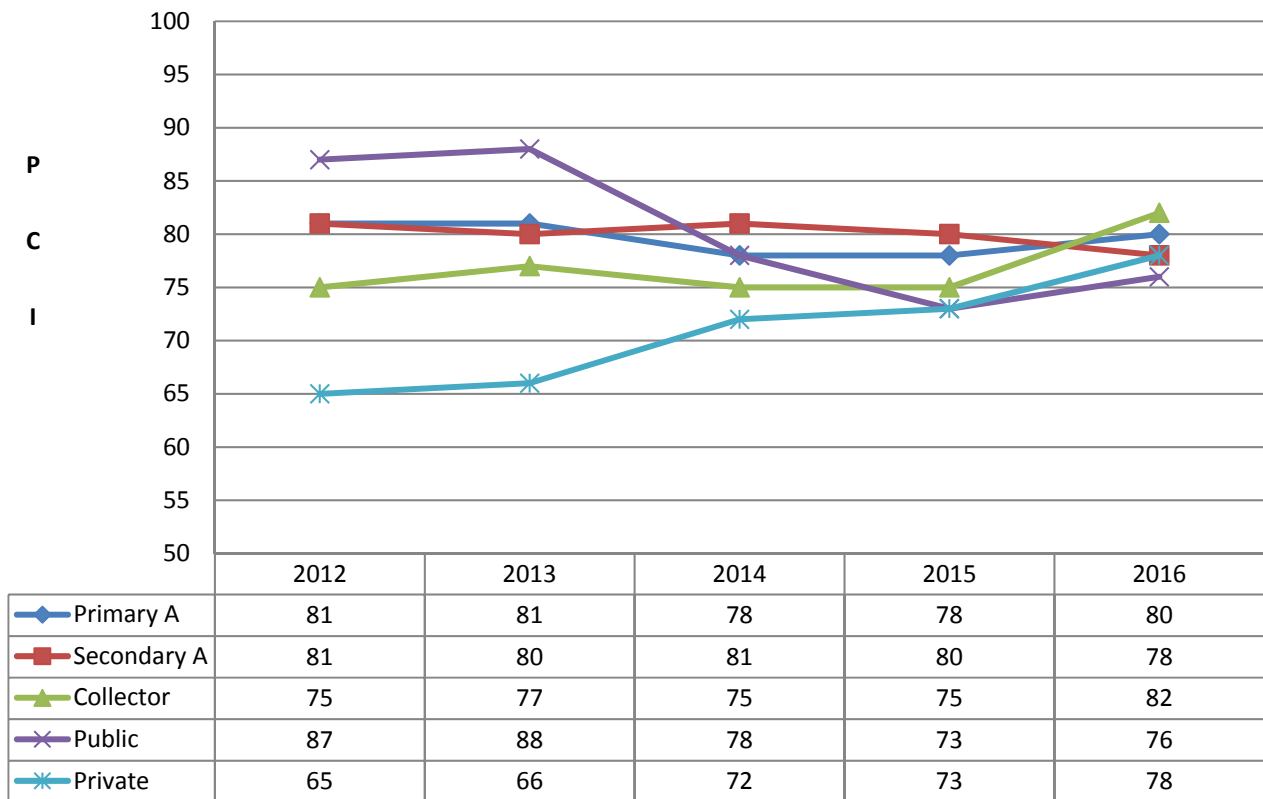
| Objectives | Performance Measures | Targets | Actual Achievement 2015-16 |
|--|--|--|--|
| 4.1. Reduce network congestion | <ul style="list-style-type: none"> ✓ Miles of additional lanes added ✓ Number of media campaigns on use of public transport and car pooling ✓ Reduction in average travel times ✓ Improvement in average speed during peak hours ✓ Number of PPP partnerships for network expansion ✓ Percentage uptime of traffic signals | <ul style="list-style-type: none"> ✓ Complete Smith Rd. widening project by Dec. 2016 ✓ Esterley Tibbetts – Coralstone roundabout extension by Dec. 2019 ✓ Annual media campaign on carpooling and use of public transport ✓ 20% percent reduction in average travel time by June 2020 ✓ 5-10% improvement in average travel speed during peak hours by June 2018 ✓ 100% support to PPP initiatives in accordance with Government policies ✓ 100% uptime of traffic signals | <ul style="list-style-type: none"> ✓ Completed ✓ In progress ✓ Planned ✓ In progress ✓ In progress ✓ Achieved ✓ In progress |
| 4.2. Improve aesthetics of the network | <ul style="list-style-type: none"> ✓ Signs and lines condition audit ✓ Customer satisfaction surveys ✓ Number of miles maintained ✓ Street lighting audit | <ul style="list-style-type: none"> ✓ 90% or better rating on signs and lines condition audit ✓ 80% or higher customer satisfaction rating ✓ 75 miles of road shoulders maintained quarterly ✓ 98% functioning of all street lights | <ul style="list-style-type: none"> ✓ In progress ✓ In progress ✓ Achieved ✓ In progress |
| 4.3. Improve road surface quality on the network | <ul style="list-style-type: none"> ✓ Miles of road repaired or rehabilitated ✓ Number of PCI surveys ✓ NRA standards for road surface mixes | <ul style="list-style-type: none"> ✓ Road network kept at average PCI rating of 80 or above (subject to funding) ✓ PCI surveys done at least twice annually ✓ 100% compliance with NRA specification for road surface design mix ✓ Reconstruct Reverend Blackman road by Dec. 2018 ✓ Upgrade Water Course Rd. by Dec. 2015 ✓ Resurface Fountain Rd. by Dec. 2015 ✓ Resurface Botswain Bay rd. by Dec. 2015 ✓ HMA Rum Point Dr. by Dec. 2016 | <ul style="list-style-type: none"> ✓ In progress ✓ Not achieved in 15-16 ✓ In progress ✓ In progress ✓ Achieved ✓ Achieved ✓ Achieved ✓ achieved |

| Objectives | Performance Measures | Targets | Actual Achievement 2015-16 |
|--|---|--|---|
| 4.4. Cut and Trim vegetation along the network | <ul style="list-style-type: none"> ✓ Number of miles cut ✓ Revisions to brush cutting schedule ✓ Percentage availability of equipment | <ul style="list-style-type: none"> ✓ 90% of bush cutting sorties carried out on schedule ✓ Bush cutting schedule revised based on changes in network ✓ Equipment maintained to be functioning 95% of the year | <ul style="list-style-type: none"> ✓ No achieved ✓ Achieved ✓ Not achieved |
| 4.5. Increase availability of the network | <ul style="list-style-type: none"> ✓ Number of unscheduled road closures, percentage of time road closures extend beyond period planned ✓ Number of unscheduled roadway interventions by statutory undertakers ✓ Percentage of maintenance work carried out during annual summer break | <ul style="list-style-type: none"> ✓ 20% reduction for unscheduled road closures ✓ 20% reduction for unscheduled road closures annually ✓ 25% percentage of annual road works to be carried out during summer months | <ul style="list-style-type: none"> ✓ In progress ✓ In progress ✓ In progress |
| 4.6. Improved customer focus | <ul style="list-style-type: none"> ✓ Completion of charter and plan ✓ Completion of satisfaction survey ✓ Number of signs erected and media placements ✓ Press releases ahead of all major network intervention efforts | <ul style="list-style-type: none"> ✓ Plan to be completed by March 2016 ✓ Customer satisfaction surveys to be conducted at least once annually ✓ Signs erected in all districts ✓ Media advised ahead of any major intervention work | <ul style="list-style-type: none"> ✓ Not achieved ✓ Not achieved ✓ In progress ✓ achieved |
| 4.7. Reduce annual vehicle operating cost | <ul style="list-style-type: none"> ✓ Travel efficiency audit ✓ Condition of pavement ✓ Number of accidents with road conditions as a contributing factor | <ul style="list-style-type: none"> ✓ Reduce average travel time by 20% during peak hours ✓ PCI of at least 80 on all primary and secondary roads (subject to funding) ✓ 75% reduction of accidents with road conditions being a contributing factor | <ul style="list-style-type: none"> ✓ In progress ✓ In progress ✓ In progress |

Pavement Management

The aim of the NRA's pavement management programme is to monitor and to prescribe maintenance strategies to pavements of varying classifications in the Grand Cayman road network. Primary Arterials are those main roads which carry the majority of roadway traffic throughout the island and as such are prescribed a higher maintenance protocol.

Average PCI by Road Classification



The above chart highlights that as of FY 2015-16 all pavement types have an average PCI of 75 and higher. This denotes that overall the pavements on Grand Cayman are in 'good' to 'very good' condition.

Since 2012 the NRA has concentrated on local private roads in an effort to raise the pavement condition index (PCI) from an unsatisfactory level of 65 to above 75 which is representative of 'good' condition. In essence, concentrated effort on subdivision roads has been effective in raising the average PCI level of these roads by 13 points or 20 % in four years, from fair to satisfactory. The term local private road, however, is a bit misleading as under the Roads Law these roads (with the exception of a few) do not involve restriction of access to the public as a right.

The majority of subdivision roads built by private developers in Cayman offer unrestricted public access; however the official ownership of the developed roadway is often not 'transferred' to the Crown. The NRA prefers to classify these not as private roads but as 'unscheduled public roads'. It is important to add this brief explanation because the distinction between public roads and private roads have been blurred by actions the Government has taken over the years to clean and repair roads, install streetlights, speed humps, and other street furniture without regard to their status. The challenge going forward is to keep the average PCI of private (unscheduled) roads at fair and good levels.

The drop in the pavement condition index shown on the previous page is indicative of areas approaching the critical point where some sort of preventative maintenance is required. Pavement resurfacing and rehabilitation of primary and secondary arterial roadways is typically funded by Cabinet via its Executive Assets allocations. The NRA will continue to advocate for sufficient funding to resurface primary and secondary roads in order to improve the overall index.

Public Relations with Government Information Services - press releases were prepared and circulated within various local media. Some of the more significant press release topics included:

- ETH Road Reconstruction Plans February 2016
- Construction Zone Safety Training February 2016
- Island Wide Traffic Count Study February 2016
- Island Wide Speed Limit Changes March 2016
- Pedestrian Crossings and Crosswalk March 2016
- Hurricane Supplement in Compass May 2016
- Red Bay Roundabout Reconstruction and Billboards June 2016



Ownership Goal 2 – Implement Effective Management Systems

To continue establishment of the Authority, develop and implement effective administrative, financial and information management systems.

NRA Strategic Goal #5: Develop skilled and motivated workforce

The NRA will strive to be an exemplary employer in order to continue skill development and build morale among its employees. Our development policies will include efforts to ensure fair compensation, effective performance management, and an open management culture that encourages the sharing of ideas, dialogue and engagement. We will continue to place workplace safety at the forefront of our organization, invest in training, instill a culture of lifelong learning, and be fair and compassionate while also promoting a culture of pride and ownership at all levels of the organization. We will continually invest in our people as the catalyst for positive change, growth and innovation within our organization.

| Objectives | Performance Measures | Targets | Actual Achievement 2015-16 |
|---|---|---|---|
| 5.1. Improve worker safety standards | <ul style="list-style-type: none"> ✓ Implementation of relevant standards ✓ Areas identified and implemented ✓ Number of sessions conducted ✓ Staff safety inspection results | <ul style="list-style-type: none"> ✓ Relevant OSHA standards to be implemented by June 2016 ✓ Safety audit to be conducted at least twice annually ✓ Training sessions to be conducted quarterly ✓ Random staff safety inspection to yield 90% or above compliance with standards | <ul style="list-style-type: none"> ✓ In progress ✓ In progress ✓ Not formalized ✓ In progress |
| 5.2. Improve competence levels in strategic areas | <ul style="list-style-type: none"> ✓ Number of staff undertaking certification courses ✓ Number of staff support opportunities offered ✓ Number of mentoring programs developed | <ul style="list-style-type: none"> ✓ 10% of staff to undertake project management training by December 2016 ✓ Further Education support opportunities to be offered to minimum 5% of staff during 2016 ✓ Mentorship program to be developed and implemented by June 2016 | <ul style="list-style-type: none"> ✓ Not achieved ✓ In progress ✓ In progress |
| 5.3. Foster a culture of training and lifelong learning | <ul style="list-style-type: none"> ✓ Succession plan developed ✓ Percentage of performance agreement in place within 60 days of fiscal year end ✓ Staff incentive programmes in place | <ul style="list-style-type: none"> ✓ Succession plan to be developed by 30th June 2016 ✓ 100% of staff with performance agreement within 60 days of fiscal year end ✓ Training incentive programme to be announced by July 1st, 2016 | <ul style="list-style-type: none"> ✓ In progress ✓ In progress ✓ In progress |
| 5.4. Be a fair, caring and compassionate employer | <ul style="list-style-type: none"> ✓ Compensation reviews ✓ Hiring policy ✓ Staff access to Employee Assistance Programme ✓ Forming of social committee | <ul style="list-style-type: none"> ✓ Staff compensation policies reviewed on an annual basis ✓ Equal opportunity hiring policy ✓ Subscription to the Employee Assistance Programme ✓ Social committee in place by January 2016 | <ul style="list-style-type: none"> ✓ Completed ✓ Achieved ✓ Achieved ✓ achieved |
| 5.5. Instill pride, performance and ownership at all levels | <ul style="list-style-type: none"> ✓ Opportunities to be recognized for good work ✓ Inclusion of front line staff in management decision making ✓ Staff satisfaction survey | <ul style="list-style-type: none"> ✓ Policy for staff assessment and recognition ✓ Open participative management framework ✓ 80% or higher score for corporate communication on staff | <ul style="list-style-type: none"> ✓ In progress ✓ Achieved |

| | | | |
|--|---|---|---|
| | <ul style="list-style-type: none"> ✓ Number of monthly management meetings ✓ Number of organizational wide meetings | satisfaction surveys <ul style="list-style-type: none"> ✓ 12 per year ✓ 2 per year | <ul style="list-style-type: none"> ✓ In progress ✓ Not achieved ✓ Not achieved |
|--|---|---|---|

Human Resources Policies and Procedures:

In the 2015-16 fiscal year the HR section was involved in the development of a number of NRA policies which included the NRA Strategic Operational Plan and Standard Operations Manual. In addition, the Staff Handbook & Office Policies Manual was completed and work has now begun on the Standard Operating Procedures of each section of the manual in order to facilitate training in future months.

New Performance Agreements have been drafted which are tied directly to that of the MD's and these are currently being revised.

Post-retirement healthcare insurance benefits still remain an unresolved issue for employees as the NRA as a statutory authority must bear the liability of ensuring post-retirement healthcare insurance for its employees upon retirement. Work is currently being done to ensure provisions are made for employees who fall into this category.



Transparency misspelled in above diagram

NRA Strategic Goal #6: Acquire modern efficient equipment

Through a rigorous evaluation and assessment strategy, we will seek to replace aging, failure-prone and high maintenance equipment and vehicles in a systematic manner over the next 5 years. Through our asset replacement strategy, we will segregate annual depreciation funds to ensure future means of replacing equipment as they come to the end of their useful lives.

| Objectives | Performance Measures | Targets | Actual Achievement 2015-16 |
|--|---|---|---|
| 6.1. Evaluate condition of existing equipment | <ul style="list-style-type: none"> ✓ Completion of inspection report ✓ Preparation of revised useful life spreadsheet ✓ Preparation of report | <ul style="list-style-type: none"> ✓ Visual and mechanical inspection report by 12/31/15 ✓ Revised useful life report by 10/31/15 ✓ Maintenance cost report by 12/31/15 ✓ Comprehensive fleet status report by 12/31/15 | <ul style="list-style-type: none"> ✓ Completed ✓ Completed ✓ Completed ✓ completed |
| 6.2. Assess fitness for purpose against strategy | <ul style="list-style-type: none"> ✓ Completion of report ✓ Presentation of research paper | <ul style="list-style-type: none"> ✓ Equipment evaluation report by 12/31/15 ✓ New Technology report by 12/31/15 | <ul style="list-style-type: none"> ✓ Completed <p>completed</p> |
| 6.3. Strategically modernize fleet | <ul style="list-style-type: none"> ✓ Completion of plan ✓ Board approval | <ul style="list-style-type: none"> ✓ Fleet modernization plan completed by March 2016 ✓ Board review and approval by March 2016 | <ul style="list-style-type: none"> ✓ Completed ✓ Not achieved |
| 6.4. Reduce annual maintenance cost | <ul style="list-style-type: none"> ✓ Decommission report and acceptance by Board ✓ Revised procurement policy ✓ Revised equipment policy ✓ Number of annual training programs for mechanics and operators | <ul style="list-style-type: none"> ✓ Decommission report prepared by 01/31/16 ✓ Board review and approval by 02/28/16 ✓ Revised procurement and equipment policy by 02/28/16 ✓ Twice yearly training programs for mechanics and operators | <ul style="list-style-type: none"> ✓ Not achieved ✓ Not achieved ✓ Not achieved ✓ In progress |
| 6.5. Improve efficiency | <ul style="list-style-type: none"> ✓ Vehicle procurement policy ✓ Ratio of annual maintenance cost against industry benchmarks ✓ Number of productivity hours lost due to equipment unavailability | <ul style="list-style-type: none"> ✓ Vehicle procurement policy completed by 02/28/16 ✓ Annual maintenance cost to be in line with or below industry benchmarks ✓ 50% reduction in lost productivity due to equipment breakdown by 12/31/16 | <ul style="list-style-type: none"> ✓ Not achieved ✓ In progress ✓ In progress |

NRA Strategic Goal #8: Improve Corporate Governance

Improve Corporate Governance: Over the period of this strategic plan, the NRA will undergo efforts to enhance our financial management capabilities, develop an enterprise risk management framework and create policies and procedures which are conducive to good governance.

| Objectives | Performance Measures | Targets | Actual Achievement 2015-16 |
|---|--|---|---|
| 8.1. Formally Establish the Road Fund | <ul style="list-style-type: none"> ✓ Board/Ministry Approval for TOR ✓ Approval of Charter ✓ Approval of Fund Manager | <ul style="list-style-type: none"> ✓ Request for approval presented by 12/31/15 ✓ Charter drafted and presented by 01/31/16 ✓ Fund management in place by 02/28/16 | <ul style="list-style-type: none"> ✓ Not achieved ✓ Not achieved ✓ Not achieved |
| 8.2. Practice Sound Financial Management | <ul style="list-style-type: none"> ✓ Road Fund management policy ✓ Audit opinion Report ✓ Business Case | <ul style="list-style-type: none"> ✓ Road fund management policy developed by 31st December 2015 ✓ Unqualified Audit Opinion and favorable audit reports ✓ Full financial performance reports presented to the Board quarterly ✓ Outline Business case for projects and investments over \$500K | <ul style="list-style-type: none"> ✓ Not achieved ✓ Achieved ✓ Achieved ✓ In progress |
| 8.3. Comply with all Laws | <ul style="list-style-type: none"> ✓ Number of breaches of law | <ul style="list-style-type: none"> ✓ No breaches of the law | <ul style="list-style-type: none"> ✓ Achieved |
| 8.4. Develop policies and procedures framework | <ul style="list-style-type: none"> ✓ Personnel manual ✓ Operations manual ✓ Procurement policy ✓ Vehicle use policy ✓ Communications policy | <ul style="list-style-type: none"> ✓ Manuals and policies to be reviewed/ completed by 31st December 2015 | <ul style="list-style-type: none"> ✓ In progress |
| 8.5. Implement enterprise risk management (ERM) | <ul style="list-style-type: none"> ✓ Compliance with ERM framework | <ul style="list-style-type: none"> ✓ ERM Framework developed by 30th June 2016 | <ul style="list-style-type: none"> ✓ Not achieved |

Ownership Goal 3 – Identify Strategies for Financing Future Road Development

Identify and seek approval for strategies for financing future road development.

The revenue and resources of the Authority comprise the following:

Monies directed by Law to the Roads Fund, as well as services purchased by Cabinet for the purposes of capital roads improvements. Other revenue sources may include:

- Road user charges collected by the Authority;
- Gifts or bequests received by the Authority;
- Other monies paid and property provided to the Authority by way of grants, rent, interest and other income derived from the investment of the Authority's funds.

Appropriation made by the Government for capital road improvement projects is based on service based budgeting. The Minister of Planning, Land, Agriculture, Housing & Infrastructure (PLAH&I) will purchase the services of the Authority as agreed in the Purchase Agreements. The services of the Authority are not only measured in terms of input cost but also in quantity, quality, timeliness and location.

The major accomplishment in the goal of improving strategies for the financing of future

roads development came via a September 2015 amendment to the NRA Law. The amendment made identified two direct sources of revenue as the primary means by which the authority will be funded in future years. The two streams are:

1. 100% of the fuel import duty charged, collected and paid under the Customs Tariff Law (2015 Revision) on gasoline and diesel used by motor vehicles.
2. 100% of the fees collected and paid under the Traffic Regulations 2012 on motor vehicle drivers licenses.

The Cabinet caps the transfer of annual revenue to the Roads Fund at ten (10) million dollars.

This amendment improves funding consistency to carry out essential construction, rehabilitation, and maintenance of public roads.

Planned further amendments to both the Roads Law and NRA Law will help the NRA to adequately capture other sources of revenue such as road user charges, statutory authority permits, road encroachment fines, blasting and explosives permit fees, etc.

The \$10 million cap set by the Cabinet limits the NRA's focus to operating costs associated primarily with the maintenance of public roads. New construction and/or rehabilitation of major capital roads continue to be funded by the Cabinet as executive assets (EAs).

NRA Strategic Goal #7: Secure stable consistent funding

The NRA will facilitate an asset valuation exercise and harness new technology to improve data collection techniques to provide a more in-depth and up-to-date understanding of the asset base.

This will create opportunities for more timely preventative maintenance, a greater strategic approach to capacity building, better design capabilities and ultimately, greater value for money. Grasping this opportunity will require a long term commitment and sustained investment. It is therefore imperative that the NRA is afforded stable and consistent funding over the medium to long-term in order to continue supporting Government's efforts to build a smart modern infrastructure while growing the economy.

| Objectives | Performance Measures | Targets | Actual Achievement 2015-16 |
|--|--|--|--|
| 7.1. Ensure adequate provisions for road network needs in overall government plans | ✓ Submission of annual strategic plans for Approval by Minister/Cabinet | ✓ Strategic plans to be submitted annually with NRA's contribution to Government's SPS | ✓ In progress |
| 7.2. Secure sufficient funding to properly manage network | <ul style="list-style-type: none"> ✓ Annual Ministry approval ✓ Cost estimate reports ✓ PPP Agreements ✓ Number of business cases prepared | <ul style="list-style-type: none"> ✓ Ministry approval of 12-month work plan by SPS presentation date each year ✓ Cost estimates prepared for each project over \$10K ✓ Outline Business case prepared for each planned project over \$500K | <ul style="list-style-type: none"> ✓ In progress ✓ Achieved ✓ In progress |
| 7.3. Evaluate road user funding schemes | ✓ Number of reports prepared | ✓ Alternative User funding schemes to be presented by 30th June 2016 | ✓ Not achieved |
| 7.4. Prepare business case for a maturing road authority | ✓ Business Case | ✓ Business case prepared and presented by 30 th June 2016 | ✓ Not achieved |

Human Resource Management



Management Team Profile



Name: Paul Parchmemnt

Title: Managing Director

Qualifications: Bachelor's Degree in Engineering- Florida A&M University; Master's Degree in Roads Management & Engineering- University of Birmingham UK



Name: Edward Howard

Title: Deputy Managing Director

Qualifications: Bachelors in Civil Engineering - Howard University; Masters in Civil Engineering (Transportation) – University of Illinois Urbana Champaign;

MBA (Corporate Finance) – University of Leicester, UK

more than twenty (20) years of educational experience and practical know-how in urban and regional planning, transportation engineering, and public sector management.



Name: Olsen Bush

Title: Chief Financial Officer

Qualifications: Masters in Business Administration- International Collage of the Cayman Islands
more than 30 years of experience in the financial industry



Name: Julie Campbell

Title: Human Resources Manager

Qualifications: Masters in Human Resource Management- University of Portsmouth

Over 10 years of local and international Human Resources experience, Ms. Campbell holds the dual role of HR and Office Manager and is a certified Freedom of Information Manager.



Name: Letitia Lambert

Title: Financial Accountant

Qualifications: Bachelors of Science in Accounting- International College of the Cayman Islands;
Masters of Science in Finance concentrating in Financial Planning- Kaplan University
Over 10 years experiene in accounting and financial management.



Name: Brian Chin Yee
Title: Works Manager, Engineering & Operations
Qualifications: Bachelors in Electrical Engineering B.Sc. – Florida Institute of Technology University (1993 -1997)
20 years of engineering experience.



Name: Edison Jackson
Title: Senior Engineer
Qualifications: Engineer- Florida Institute of Technology
Member of the International Society of Explosives Engineers (ISEE)
Over 10 years experience in engineering.



Name: Marion Pandohie
Title: Transportation Planner
Qualifications: BS Environmental Design, Concentration in Urban Studies – University of Massachusetts
Masters in City and Regional Planning – Rutgers University
over 13 years experience in transportation and planning



Name: Nicholas Graham
Title: Asset Manager & IT Admin
Qualifications: Information Systems- Florida Institute of Technology
over 10 years experience in IT



Name: Denis Thibeault
Title: Assistant Director, Transportation & Planning
Qualifications: Bachelor of Environmental Studies in Urban & Regional Planning (Honours)- University of Waterloo
over 10 years experience in transportation and planning

Our People

The NRA has an all Caymanian staff complement of 90 employees. While the staffing complement is 90% male, a female employees account for approximately 30% of the management team.

Six percent of staff is educated to a graduate level, a further six percent hold undergraduate degrees, and 87% are educated to a high school diploma level. 93% of all employees have been with the authority for at least 6 years, with 65% having a tenure of 11 years or more. Average annual take home pay for NRA employees is approximately \$42,000, however, the average total annual compensation cost for each employee is approximately \$59,000. This reflects the fact that over 19% of the average employee emoluments go towards healthcare premiums.



Human Resources Administration

Fiscal Year 2015 saw the recruitment of two Machine Operators, two Signs & Lines Technicians, a Mechanic Assistant, Receptionist, Administrative Assistant and the Senior Executive Assistant. A number of these posts

were vacancies created following resignations, retirement and unfortunately death.

The NRA also contracted two Consultants to work on specific projects. These consultants were assigned to Asset Management and the Linford Pierson Highway widening project.



The Managing Director was charged with the responsibility of revising the Operation Plan as prescribed by the NRA law. This responsibility prompted the development of the Authority's succession plan, which is now well on its way to implementation with several individuals identified to be placed on the track for success within the organization.

The succession plan enabled the promotion of two employees, one to Asset Management and the other to Supervisor of the Signs & Lines section.

In FY 2015-16 the NRA experienced an increase in the number of employees utilizing the services of Employee Assistance Program (EAP). The tragic death of a colleague in February 2016, permanent disability of another, along with other personal and financial issues, contributed to the need for counselling services.

Training and Skills Development Initiatives

NRA prides itself on assisting employees to further their education whether financially or with time off. Over the past three years, employees gained a number of certifications which include:



- Heavy Equipment Operator Certificate,
- Pavement Management
- 4 employees obtained their Masters in Business Management
- 2 obtained their Masters in Finance and Masters in Human Resource Management
- Our Controller obtained his Fleet Management certification
- An employee in Finance obtained her Bachelors in Business Management.

Several employees are currently pursuing degrees in various subject areas including:

- Design Technician, Delroy, is pursuing his Bachelors in Business Management
- Transportation Planner, Marion, is pursuing her Master's in Public Administration

- Asset Manager, Nicholas, is completing his Asset Management programme of study; and
- Human Resource Manager, Julie, is pursuing her LLB.



Field employees and supervisors recently undertook training on Road safety and Senior Managers are participating in varying types of professional development training including:

- 1) Success with Less Stress
- 2) Project and Time Management
- 3) Dealing with Difficult People
- 4) Effective Team Building

Other training included:

- Heavy Equipment Certification (1 employee),
- Asset Management training (1 employee),
- Fleet Management Certification (1 employee in training).

The NRA also holds quarterly staff functions and is currently working on a fitness program for employees to promote better health and wellness in the organization.



Financial Statements

Statement of Responsibility for Financial Statements

These financial statements have been prepared by the National Roads Authority in accordance with the provisions of the Public Management and Finance Law (2013 Revision) and referenced to Section 26(1b) of the National Roads Authority (2006 Revision).

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the Public Management and Finance Law (2013 Revision).

As Chairman and Managing Director, we are responsible for establishing; and have established and maintain a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly record the financial transactions of the National Roads Authority.

As Chairman and Managing Director we are responsible for the preparation of the National Roads Authority financial statements and for the judgements made in them.

The financial statements fairly present the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity for the financial year ended 30 June 2016.

To the best of our knowledge we represent that these financial statements:

- (a) completely and reliably reflect the financial transactions of the National Roads Authority for the year ended 30 June 2016;
- (b) fairly reflect the financial position as at 30th June 2016 and comprehensive income for the year the ended; and
- (c) comply with International Financial Reporting Standards under the responsibility of the International Accounting Standards Board.

Mr. Donovan Ebanks
Chairman
National Roads Authority

Date: 30 October 2016

Mr. Paul Parchment
Managing Director
National Roads Authority

Date: 30 October 2016



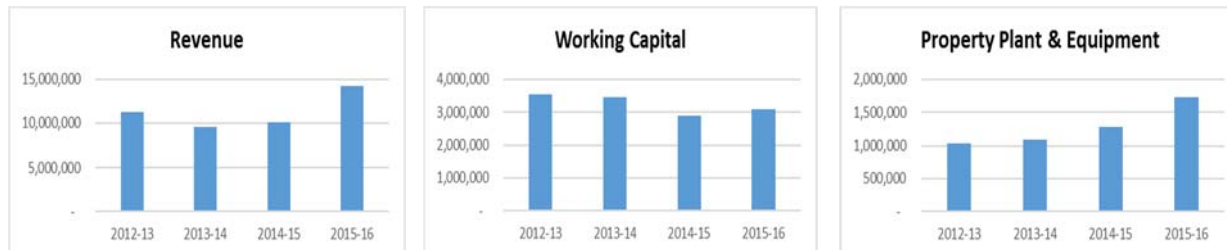
Phone: (345) - 244-3211 3rd Floor, Anderson Square
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www.auditorgeneral.gov.ky Grand Cayman, KY1-1103

Auditor General's Report

Management Discussion and Analysis of Financial Results

FINANCIAL TREND ANALYSIS

Expressed in Cayman Islands Dollars



The Government has demonstrated tangible support for the work of the NRA through the provision of stable revenue over the past 4 fiscal years. This support combined with increases in services provided to the general public has afforded a reasonable level of **revenue** resources to support the works of the Authority.

Whilst the annual revenue is less than what is recommended for an asset with the value of the road network, the stable nature of the funds flow allows the organization to carry out effective planning to maximize the use of the resources afforded.

The organization's **working capital** considers the level of current resources available to settle immediate obligations. It is calculated by

subtracting current liabilities from current assets. As shown in the chart above, the NRA has a strong working capital position which has remained steady over the past 4 fiscal years. This means the organization is in a favorable position to meet its financial obligations as they fall due.

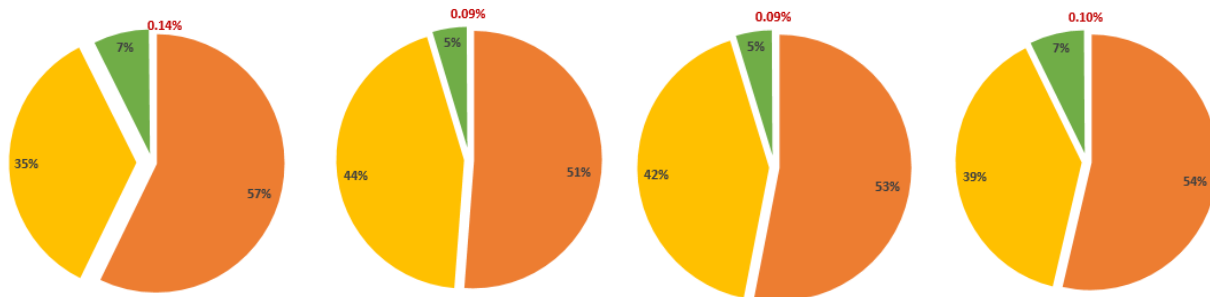
Investment in **property plant and equipment** has shown an increasing balance since 2012-13. This is largely due to efforts to modernize the physical plan by replacing assets which have become fully depreciated and are beyond their normal useful lives.

Overall, the financial trends show an organization that is stable and which has moved from strength to strength over the last four fiscal periods.

Expressed in Cayman Islands Dollars and in thousands

| Four-year financial summary | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|-----------------------------|------------|------------|-----------|------------|
| Total Revenue | 14,202,990 | 10,129,250 | 9,522,270 | 11,268,728 |
| Total Expenses | 13,529,936 | 10,104,250 | 9,522,270 | 11,245,847 |
| Net results | 673,053 | 25,000 | - | 22,881 |
| Cash Flow from Operations | 683,508 | 1,264,234 | 789,064 | (887,395) |
| Total Assets | 6,032,718 | 5,040,833 | 4,893,705 | 5,300,013 |
| Total Liabilities | 2,936,672 | 2,164,932 | 1,440,959 | 1,754,924 |

FINANCIAL TREND ANALYSIS CONTINUED



2015-16

2014-15

2013-14

2012-13

■ Personnel Costs ■ Supplies and consumables ■ Depreciation ■ Bank Charges

The **operating result** shows a surplus of \$673,053 for the 2015-16 fiscal year. This surplus was largely due to savings in Street Lighting (\$556,984), and Utilities (\$22,357).

The NRA had cash and cash equivalents of \$3,887,910 as at June 30th, 2016. This amount is \$854,467 more than the budget anticipated and results from operating surplus and procurement delays for planned fixed asset acquisitions.

The variance in total assets is primarily attributed to the increase in cash and cash equivalents along with an increase in accounts receivable due to EA projects not budgeted for originally. These remain outside the scope of

NRA annual funding scheme and is directed by the Ministry of PLAHI. This increase is offset by an increase in related liabilities.

The variance in total liabilities is primarily attributed to increased accounts payable from outstanding payments for additional road works directed by the Ministry of PLAHI during the period.

The NRA generated \$683,508 in positive **cash flows** from operations in 2015-16 as a result of depreciation and savings in operating expenditures. The Authority also invested some \$850,376 in the purchase of property plant and equipment.

Expressed in Cayman Islands dollars and in thousands

| Four-year Operating Expenditures | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|----------------------------------|------------------|------------------|------------------|------------------|
| Personnel Costs | 3,465,964 | 3,247,581 | 3,171,531 | 3,517,947 |
| Supplies and consumables | 2,140,712 | 2,798,795 | 2,520,416 | 2,558,834 |
| Depreciation | 439,416 | 289,602 | 278,093 | 471,512 |
| Bank Charges | 8,683 | 5,465 | 5,328 | 6,551 |
| Total | 6,054,775 | 6,341,443 | 5,975,368 | 6,554,844 |

Statement of Financial Position

| Fiscal Year Ended 30th June, 2016 | | | | | 2015/16 Budget |
|-------------------------------------|-------------------|-------------------|-----------|-----------|-------------------|
| Note | 2015-16 Actual | 2014-15 Actual | Variance | | |
| expressed in Cayman Islands Dollars | | | | | |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | X | 3,887,910 | 4,054,778 | (166,868) | 3,033,443 |
| Inventory | | 45,951 | 144,789 | (98,838) | 182,240 |
| Accounts Receivable | | 2,098,857 | 841,266 | 1,257,591 | 1,400,283 |
| Total Current Assets | | 6,032,718 | 5,040,833 | 991,885 | 4,615,966 |
| CURRENT LIABILITIES | | | | | |
| Accounts Payable | | 1,421,888 | 813,546 | 608,342 | 343,299 |
| Revenue deposits | | - | - | | - |
| Pension Liability | | 1,381,000 | 1,215,000 | 166,000 | 1,588,000 |
| Employee entitlements | | 133,784 | 136,386 | (2,602) | 108,463 |
| Total Current Liabilities | | 2,936,672 | 2,164,932 | 771,740 | 2,039,762 |
| NET CURRENT ASSETS | | | | | |
| | | 3,096,046 | 2,875,901 | 220,145 | 2,576,204 |
| FIXED ASSETS | | | | | |
| Property, plant and equipment | | 1,734,336 | 1,281,427 | 452,909 | 1,564,852 |
| Total Fixed Assets | | 1,734,336 | 1,281,427 | 452,909 | 1,564,852 |
| TOTAL NET ASSETS | | | | | |
| | | 4,830,382 | 4,157,328 | 673,054 | 4,141,056 |
| EQUITY | | | | | |
| Contributed capital | | 4,541,535 | 4,541,535 | - | 4,541,535 |
| Retained earnings | | 288,847 | (384,206) | 673,053 | (400,479) |
| TOTAL EQUITY | | 4,830,382 | 4,157,329 | 673,053 | 4,141,056 |

The accounting policies and notes on pages 58-66 form part of these financial statements.

Statement of Financial Performance

| Fiscal Year Ended 30th June, 2016 | | | | 2015/16 Budget |
|-------------------------------------|-------------------|-------------------|-----------|-------------------|
| Note | 2015-16 Actual | 2014-15 Actual | Variance | |
| expressed in Cayman Islands Dollars | | | | |
| INCOME | | | | |
| Sales of services interdepartmental | 647,470 | 280,000 | 367,470 | 220,000 |
| Road development services | 599,668 | 535,600 | 64,068 | 599,668 |
| Road construction | 3,683,627 | 180,250 | 3,503,377 | 185,657 |
| Trench reinstatement services | 15,600 | 20,000 | (4,400) | 12,000 |
| Roads maintenance services | 9,055,540 | 8,902,900 | 152,640 | 9,094,700 |
| Storm water management | 106,090 | 103,000 | 3,090 | 106,090 |
| Explosives management | 53,045 | 107,500 | (54,455) | 53,045 |
| Interest revenue & other | 41,949 | - | 41,949 | - |
| Total Revenue | 14,202,989 | 10,129,250 | 4,073,739 | 10,271,160 |
| COST OF SALES | X | 7,475,161 | 3,762,807 | 3,712,354 |
| GROSS PROFIT | | 6,727,828 | 6,366,443 | 7,786,093 |
| GENERAL & ADMIN. EXP. | | | | |
| Personnel Costs | 3,465,964 | 3,247,581 | 218,383 | 3,468,007 |
| Expenses and supplies | 34,374 | 23,426 | 10,948 | 43,863 |
| Motor vehicles expenses | 565,168 | 613,981 | (48,813) | 507,281 |
| Travel & subsistence | - | 25,000 | (25,000) | 20,000 |
| Street lighting | 1,140,456 | 1,648,000 | (507,544) | 1,697,440 |
| Utilities | 45,848 | 66,957 | (21,109) | 68,205 |
| Telephone | 34,789 | 35,789 | (1,000) | 36,456 |
| Advertising | 7,575 | 8,500 | (925) | 5,000 |
| Professional fees | 94,298 | 126,049 | (31,751) | 83,532 |
| Office rental | 6,366 | 29,708 | (23,342) | 25,461 |
| Computer maintenance & fees | 138,874 | 110,843 | 28,031 | 82,909 |
| Repairs & maintenance | 60,632 | 75,731 | (15,099) | 77,142 |
| Depreciation | X | 439,416 | 289,602 | 149,814 |
| Doubtful debt expense | - | 19,550 | (19,550) | - |
| Insurance- property & liability | 12,332 | 15,261 | (2,929) | 19,184 |
| Bank charges and interest | 8,683 | 5,465 | 3,218 | 5,832 |
| Total Expenses | | 6,054,775 | 6,341,443 | (286,668) |
| COMPREHENSIVE INCOME FOR THE YEAR | | 673,053 | 25,000 | (4,360,407) |

The accounting policies and notes on pages 58-66 form part of these financial statements.

Statement of Changes in Net Worth

AS AT 30 JUNE 2016

| | Fiscal Year Ended 30th June, 2016 | | | | |
|---|-----------------------------------|----------|---------------------|---------------------------------|-------|
| | Contributed Capital | Reserves | Revaluation Reserve | Accumulated Surplus/ (deficits) | Total |
| Balance at 30th June 2014 | | | | | - |
| Surplus/(deficit) for the year (2014/15) | | | | | - |
| Balance at 30th June 2015 | - | - | - | - | - |
| Balance at 30 June 2015 | - | - | - | - | - |
| Surplus/(deficits) for the year (2015/16) | - | | | | - |
| Balance at 30th June 2016 | - | - | - | - | - |

The accounting policies and notes on pages 58-66 form part of these financial statements.

Statement of Cash Flows

| Fiscal Year Ended 30th June, 2016 | | | | | 2015/16 Budget |
|---|-------------------|-------------------|-----------|-------------|-------------------|
| Note | 2015-16 Actual | 2014-15 Actual | Variance | | |
| expressed in Cayman Islands Dollars | | | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Net profit/(loss) for the period | | 673,054 | 41,272 | 631,782 | - |
| Adjustment for non cash transactions | | | | | |
| Bad debts | | - | 19,550 | (19,550) | - |
| Gain/(loss) on sale of fixed assets | | (41,949) | - | (41,949) | - |
| Depreciation | | 439,416 | 280,794 | 158,622 | 402,143 |
| Net change in working capital | | | | | |
| (Increase)/decrease in receivable | | (1,257,592) | 779,232 | (2,036,824) | (6,280) |
| Decrease/(increase) in inventory | | 98,839 | 13,740 | 85,099 | 6,280 |
| (Decrease)/increase in accounts payable | | 771,740 | 129,646 | 642,094 | 166,000 |
| Net cash used by operating activities | X | 683,508 | 1,264,234 | (580,726) | 568,143 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Purchase of fixed assets | | (850,376) | (397,803) | (452,573) | - |
| Proceeds from disposal of property, plant & equipment | X | - | - | - | - |
| Net cash used by investing activities | | (850,376) | (397,803) | (452,573) | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Equity Investment | | - | - | - | - |
| Net cash provided by financing activities | | - | - | - | - |
| Net increase/(decrease) in cash and cash equivalents | | (166,868) | 866,431 | (1,033,299) | 568,143 |
| Cash and cash equivalents at beginning of period | | 4,054,778 | 3,188,347 | 866,431 | 2,465,300 |
| Cash and cash equivalents at end of period | | 3,887,910 | 4,054,778 | (166,868) | 3,033,443 |

The accounting policies and notes on pages 58-66 form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2016

Note 1: Significant accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Committee (IASC), and interpretations issued by the Standing Interpretations Committee of the IASC. The significant accounting policies adopted by the NRA in these financial statements are as follows:

(a) Basis of preparation

The financial statements of the NRA are presented in Cayman Island dollars and are prepared on the accrual basis under the historical cost convention.

(b) Cash & cash equivalents

This comprises cash at bank and short term investments with maturity at inception of three months or less.

(c) Foreign currency translation

All assets and liabilities denominated in foreign currency are translated to Cayman Islands Dollars at exchange rates in effect at the balance sheet date. Revenue and expense transactions denominated in foreign currency are translated to Cayman Islands Dollars at exchange rates ruling at the date of those transactions. Gains and losses arising on translation are included in the Operating Statement.

(d) Fixed Assets/depreciation

Fixed assets include motor vehicles, heavy equipment, dump trucks, furniture and fixtures and computer hardware and software are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on a straight-line basis at annual rates estimated to write off the carrying value of each asset over the period of its expected useful life.

Annual rates are as follows:

| | |
|--------------------------------|--------------|
| Vehicles and Heavy Equipment | 4 - 12 Years |
| Furniture and Fixtures | 3 - 15 Years |
| Computer Hardware and Software | 3 - 6 Years |
| Other Plant and Equipment | 3 - 25 Years |

(e) Receivables

Receivables are stated at original invoice amounts less provision for doubtful debts.

(f) Allowance for bad debts

The allowance for bad debts is established through a provision for bad debts charged to expenses. Accounts receivable are written off against the allowance when management believes that the collectability of the amount is unlikely. The allowance is an amount that management believes will be adequate to cover any bad debts, based on an evaluation of collectability and prior bad debts experience.

(g) Inventory

Inventory is valued at the lower of net realizable value or cost, on an average basis.

(h) Accounts Payable

Accounts payable are recorded at the amount owing after allowing for credit notes and other adjustments.

(i) Employee entitlements

Pension Plans: The Authority makes pension contributions for its eligible employees to the Public Service Pensions Fund, which is administered by the Public Service Pensions Board. The Fund has both a defined benefit and a defined contribution element.

Under defined contribution plans, the Authority pays fixed contributions and has no obligation to pay further contributions if the fund does not have sufficient assets to pay employee benefits relating to employee service in the current and prior periods. The Authority recognises contributions to a defined contribution plan when an employee has rendered services in exchange for those contributions.

A defined benefit plan is one that defines an amount of benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. The asset or liability in respect of defined benefit plans is the difference between the present value of the defined benefit obligation at the balance sheet date and the fair value of plan assets, adjusted for unrecognised actuarial gains/losses and past service cost. Where a pension asset arises, the amount recognised is limited to the net total of any cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan. The pension costs are assessed using the Projected Unit Credit Method. Under this method the cost of providing pensions is charged in the Income Statement so as to spread the regular cost over the service lives of employees in accordance with advice of the actuary, (who is due to carry out a full valuation of the plans every year). The pension obligation is measured at the present value of the estimated future cash outflows using discount estimated rates based on market yields on high quality corporate bonds at the time of the accounting date which have terms to maturity approximating the terms of the related liability. Obligations for contributions to defined contribution and defined benefits pension plans are recognized as an expense in the income statement as incurred. (See also Note 11). Amounts incurred but not paid at the end of the reporting period are accrued. Annual leave due, but not taken, is recognized as a liability.

(j) Revenue recognition

Revenue from sale of services to Cabinet and other government agencies is recognised when it is earned (see also Related Party Note 12). Investment revenue is recognised in the period in which it is earned. Donations are recognised at fair value at the time of receipt.

(k) Expense recognition

Expenses are recognised when incurred.

(l) Financial Instruments

(ix) Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable or an equity instrument of another enterprise. Financial assets comprise of cash and cash equivalents and accounts receivable.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities comprise of accounts payables and employee entitlements.

(x) Recognition

The Authority recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recognised in the Operating Statement.

(xi) Measurement

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition all financial assets are recorded at historical cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

(xii) Derecognition

A financial asset is derecognised when the Authority realises the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expires.

(xiii) Credit Risk

Cash and short term investments are held with substantial financial institutions. Receivables are short term and settled after the year-end.

(xiv) Interest Rate Risk

The Authority's income and operating cash flows are substantially independent of changes in market interest rates.

(m) Classification

Certain prior year figures have been reclassified to conform to current year presentation.

Note 2: Cash & Cash Equivalents

| Description | 2015-16 Actual | 2014-15 Actual | Variance | 2015-16 Budget |
|--|-------------------|-------------------|------------------|-------------------|
| Bank accounts | 3,887,910 | 4,054,778 | (166,868) | 3,033,443 |
| Term Deposits | | | - | - |
| Total Cash & Cash Equivalents | 3,887,910 | 4,054,778 | (166,868) | 3,033,443 |

Note 3: Accounts Receivable & Prepaid Expenses

| Description | 2015-16 Actual | 2014-15 Actual | Variance | 2015-16 Budget |
|---|-------------------|-------------------|----------|-------------------|
| Outputs to Cabinet | - | - | - | - |
| Outputs to other government agencies | - | 839,860 | - | 846,140 |
| Accounts Receivable Others & Prepayment | - | 549,143 | - | 549,143 |
| Staff Loans | - | 5,000 | - | 5,000 |
| Total Accounts Receivable & Prepaid Expenses | - | 1,394,003 | - | 1,400,283 |

Note 4: Depreciation

| Description | 2015-16 Actual | 2014-15 Actual | Variance | 2015-16 Budget |
|---------------------------|-------------------|-------------------|----------------|-------------------|
| Vehicles | 214,944 | 151,598 | 63,346 | 246,012 |
| Furniture & fittings | 4,049 | 2,136 | 1,913 | 2,528 |
| Computer hardware | 7,548 | 4,830 | 2,718 | 5,627 |
| Computer software | - | - | - | - |
| Office equipment | 2,721 | 2,771 | (50) | 2,721 |
| Other Equipment | 182,873 | 128,267 | 54,606 | 145,256 |
| Leasehold improvements | 27,281 | - | 27,281 | - |
| Total Depreciation | 439,416 | 289,602 | 149,814 | 402,144 |

Note 5: Cost of Sales

| Description | 2015-16 Actual | 2014-15 Actual | Variance | 2015-16 Budget |
|----------------------------|-------------------|-------------------|------------------|-------------------|
| Labour | 2,171,233 | 2,014,966 | 156,267 | 2,095,565 |
| Hired equipment | 3,778 | 20,482 | (16,704) | 20,862 |
| Materials | 1,455,748 | 1,209,697 | 246,051 | 1,230,885 |
| Subcontractors | 3,844,402 | 517,662 | 3,326,740 | 381,390 |
| Total Cost of Sales | 7,475,161 | 3,762,807 | 3,712,354 | 3,728,702 |

Note 6: Fixed Assets

| Cost | Vehicles and Heavy Equipment | Furniture and Fixtures & Office Equipment | IT Equipment | Other Plant and Equipment | Leasehold Improvement s | Total |
|---------------------------------------|------------------------------------|---|-----------------|------------------------------|-------------------------------|-------|
| Opening Balance | | | | | | - |
| Additions | | | | | | - |
| Disposals | | | | | | - |
| Balance at 30 June 2015 | - | - | - | - | - | - |
| Accumulated Depreciation | | | | | | |
| Opening Balance | | | | | | - |
| Charge for the year | | | | | | - |
| Disposals | | | | | | - |
| Balance at 30 June 2016 | - | - | - | - | - | - |
| Net Book value at 30 June 2016 | - | - | - | - | - | - |
| Net Book value at 30 June 2015 | - | - | - | - | - | - |

Note 7: Accounts Payable and Accrued Liabilities

| | 2015-16 Actual | 2014-15 Actual | Variance | 2015-16 Budget |
|--|-------------------|-------------------|----------|-------------------|
| Trade Creditors | | 343,299 | | 343,299 |
| Accruals- Pension Liability | | 1,422,000 | | 1,588,000 |
| Total Accounts Payables and Accrued Liabilities | - | 1,765,299 | - | 1,931,299 |

Note 8: Revenue Deposits

| | 2015-16 Actual | 2014-15 Actual | Variance | 2015-16 Budget |
|------------------|-------------------|-------------------|----------|-------------------|
| Revenue Deposits | | - | | - |

Note 9: Employee Entitlements

| <i>expressed in Cayman Islands Dollars</i> | | | | |
|--|-------------------|-------------------|-----------|-------------------|
| Description | 2015-16 Actual | 2014-15 Actual | Variance | 2015-16 Budget |
| Accrued Vacation Leave | | 108,463 | (108,463) | 108,463 |

Note 10: Physical Capital Measures

| Description | 2015-16 Actual | 2014-15 Actual | Variance | 2015-16 Budget |
|--|-------------------|-------------------|-----------|-------------------|
| Value of total assets | 5,717,375 | | 5,717,375 | 5,128,688 |
| Asset replacements: total assets | 897,826 | | 897,826 | 1,063,750 |
| Book value of depreciated assets: | | | | |
| initial cost of those assets | 1,734,336 | | | 1,564,852 |
| Depreciation: Cash flow on asset purchases | 439,415 | | 439,415 | 402,144 |
| Changes to asset management policies | None | | | |

Note 11: Contributed Capital

During the year the Authority received no equity injection. (2014/15: nil).

Note 12: Salaries and Benefits

| <i>expressed in Cayman Islands Dollars and in thousands</i> | | | | |
|---|-------------------|-------------------|----------|-------------------|
| Description | 2015-16 Actual | 2014-15 Actual | Variance | 2015-16 Budget |
| Salaries and wages | | 3,599,984 | | 3,875,109 |
| Employer & Employee pension expenses | | 456,618 | | 482,518 |
| Health Insurance | | 1,039,945 | | 1,039,945 |
| Vacation due | | - | | - |
| Other personnel costs | | 166,000 | | 166,000 |
| Total Salaries and Benefits | - | 5,262,547 | - | 5,563,572 |

Note 13: Pensions

Reconciliation showing movement of past service liability during the period:

| | \$000 |
|----------------------------------|--------------|
| Balance as at 30 June 2015 | 1,422 |
| Plus: Reconciliation of PSL 2015 | 166 |
| Balance as at 30 June 2016 | 1,588 |

Note 14: Related Party Transactions

The Authority provided services to the Government relating to the development and maintenance of the public roads within the Cayman Islands which amounts to \$10.04 million under the Ownership Agreement (2015: \$9.82m). During this year the Authority also delivered Capital Expenditure Projects of \$-m (2014: \$.6m) to the Government for the construction of roads under the Ownership Agreement. The Authority also engages the services of other government departments of the Cayman Islands Government. Such services are provided at current prevailing market prices on an arm's length basis. Sales to third parties include services for drain wells and curbs, installation of signs, paving and trench reinstatement services.

| | 2015-16 Actual | 2014/15 Actual |
|--|---------------------------|---------------------------|
| Sales of Services to Cabinet | | 9,829,250 |
| Sales of Services to other government agencies | | 256,593 |
| Sales of Services to third parties | | 43,407 |
| Total | | 10,129,250 |

Upon creation of the Authority on 1 July 2004, no movable properties were vested to the Authority. Henceforth, the Public Works Department (PWD) allowed the Authority to use its vehicles and heavy equipment for road construction and maintenance free of charge. As at 30 June 2016, the Authority owes PWD the amount of \$14,490 (2015: \$23,309) for support services extended to the latter such as

office and workshop accommodation, tenant's requirements, utilities, service parking and compound security.

The remuneration of directors and other members of key management personnel during the year was \$462,756 (2015: \$448,072). There were 13 personnel categorized in 2016 broken down as 3 key management personnel and 10 Directors (2015: 3 key management personnel and 10 Directors).

Note 15: Contingencies

Under section 28(1) of the NRA Law an annual payment to the core government may be due. At the date of these financial statements there has been no request made.

Note 16: Financial Risk Management

The Authority is exposed to a variety of financial risks including interest rate risk, credit risk and liquidity risk. The Authority's risk management policies are designed to identify and manage these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of up to date and reliable information systems. These risks are managed within the parameters established by the Financial Regulations.

Interest Rate Risk

The Authority is subject to interest rate risk on the cash placed with a local bank which attracts interest. No interest payments are charged to customers on late payments on accounts receivable. The Authority is not exposed to significant interest rate risk as the cash and cash equivalents are placed on call and available on demand. The total interest earned during the year ended 30 June 2016 was less than \$1k (2015: <\$1k)

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Authority. Financial assets which potentially expose the Authority to credit risk comprise cash and cash equivalents and accounts receivable.

The Authority is exposed to potential loss that would be incurred if the counterparty to the bank balances fails to discharge its obligation to repay. All bank balances are with one financial institution located in the Cayman Islands which management considers to be financially secure and well managed.

The Authority is also exposed to a significant concentration of credit risk in relation to accounts receivables, majority of which are due from other Government entities. No credit limits have been established. As at 30 June 2016, no provision for doubtful debts has been made as none of these assets are impaired and management consider these debts to be recoverable in full (2015: Nil).

The carrying amount of financial assets recorded in the financial statements represents the Authority's maximum exposure to credit risk. No collateral is required from the Authority's debtors.

Liquidity Risk

Liquidity risk is the risk that the Authority is unable to meet its payment obligations associated with its financial liabilities when they fall due.

The ability of the Authority to meet its debts and obligations is dependent upon its ability to collect the debts outstanding to the Authority in a timely basis. As at 30 June 2016 and 2015, all of the financial liabilities were due within one month of the balance sheet dates.

As at 30 June 2016 and 2015, the carrying amount of cash deposits, accounts receivable, accounts payables and employee entitlements approximate their fair value due to their short-term maturities.

Fair values are made at specific points in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.

Note 17: Operating Lease

The Authority entered into a five-year lease with Heritage Holdings on September 1, 2014 for storage accommodation. The annual lease payments for the period amount to \$25,464(2015: \$25,464). The lease payments are subject to an annual increase of 3%. The total payments for the five-year lease including the annual 3% increase is \$135,192. The tenant has the option to renew the lease for a further term of one (1) year or more at the expiration of the term and shall give notice in writing to that effect not less than three months before expiration of the term.

Note 18: Management Remuneration

| Transaction | 2015-16 Actual | 2014-15 Actual | Variance |
|--|-------------------|-------------------|----------|
| Related Party Payments (Non Remuneration) made to Key Management Personnel | Nil | Nil | Nil |
| Remuneration Payments made to Key Management Personnel | 354,544 | 377,149 | 22,605 |
| Remuneration Payments made to Senior Management Personnel | 328,849 | 328,849 | - |
| No of Key Management Personnel | 10 | 13 | - |
| No of Senior Management | 3 | 3 | - |

Key management includes all of the senior management plus the Board of Directors.

Senior management posts include: Managing Director, Deputy Managing Director, and Chief Financial Officer.

A photograph of a paved road lined with trees, with the word 'Appendices' overlaid in a large, dark green serif font.

Appendices

Resurfacing at Breakers by Midland Acres

Governance and Risk Management

The NRA is subject to normal risks associated with most public agencies. For 2015-16 those risks include:

- Work related injuries to persons;
- Accidents related to the operation of vehicles and heavy equipment;
- Loss or absence of key personnel;
- Natural disasters;
- Loss of key IT infrastructure.

To mitigate these risks, the NRA introduced several training interventions along with the implementation of safety standards for explosive management, heavy equipment machinery and workforce personnel. Driver-training courses have also been implemented.

Appropriate training in proper vehicle operations as well as procedures for disciplinary action in the event of negligence and misuse has also been put in place.

As part of our workforce development programme, the NRA is actively promoting work/life balance initiatives by taking measures to improve the working environment and to engage staff in a more holistic manner. We are happy to have a very high retention rate among employees and will continue to pursue efforts to ensure the NRA remains a great place to work.

The Authority has also effected appropriate levels of insurance to guard against losses arising from adverse events.

Legal Framework

Laws Administered by or significantly impacting the National Roads Authority include:

- The National Roads Authority Law;
- The Roads Law;
- The Public Management and Finance Law; and
- The Labour Law.

Notifications under the Roads Law.

Road Gazette Plans (Roads Law 2005R) were either started and/or completed for the following:

- ✓ Section 3 – Notification of Proposal to Take Land;
- ✓ Proposal for the opening and widening of Kemp Street to a width of 20 feet to provide road access to 4C15 & 4C16 (BP582);
- ✓ Proposal for the acquisition of a sliver from 14CJ123 to connect a public pedestrian right-of-way from Linwood Street to Myles (BP581);
- ✓ Proposal for the widening of Crewe Road to three (3) lanes from Tropical Gardens to Mavis Close submitted for gazettal (BP598);
- ✓ Proposal for the acquisition of land for the extension of Elgin Avenue from Huldah Avenue to the NAPA intersection (BP590);
- ✓ After a dozen permutations, a proposal for the acquisition of land and road opening for the future South Sound By-Pass Arterial Corridor was submitted for review and approval by the Ministry of Works in December 2015;
- ✓ Proposal for the acquisition of land for the extension of Godfrey Nixon Way to North Church Street submitted for gazettal (BP591);
- ✓ Preliminary conceptual scheme for the widening of Crewe Road to 3 lanes from Mavis Close to Agnes Way was prepared for assessment and development of detailed engineering design;
- ✓ Proposal for land acquisition for the Airport Connector Roadway from Owen Roberts Drive to the Esterley Tibbetts Highway submitted for gazettal. The road scheme is currently on-hold at the request of Dart Realty;
- ✓ Proposal for the widening of the Esterley Tibbetts Highway to a 100 feet width from the Butterfield Roundabout to the future Airport Connector Roadway intersection with the ETH submitted for gazettal (BP593);
- ✓ Proposal for the widening of Linford Pierson Highway to a 100 feet width from Crewe Road to Agnes Way submitted for gazettal (BP592);
- ✓ Proposal for the opening and widening of Miss Daisy Lane off of Hell Road in West Bay submitted for gazettal;
- ✓ Proposal for the acquisition of land to provide road access to 44B282 off of Edna Close in Bodden;
- ✓ Proposal for the acquisition of land to provide road access to 57A15 and 57A17 along the Queens Highway;
- ✓ Section 5 – Declaration and Scheduling of Public Road:
 - Definition and demarcation of the Ena Close (PCM305);
 - Definition and demarcation of the Esterley Tibbetts Highway Extension from Yacht Drive to Batabano Road (PCM301);
 - Definition and demarcation of road widening along Crewe Road from Grand Harbour to Silver Oaks roundabout and part of Old Crewe Road (PCM310);
 - Definition and demarcation of last segment of the East-West Arterial from Chime Street to Hirst Road (PCM306);

- Definition and demarcation of a sliver from 14CJ123 to connect a public pedestrian right-of-way from Linwood Street to Myles (PCM307);
- Definition and demarcation of Section of BP486 connecting Clipper Bay development to Canal Point Drive (PCM313);
- Definition and demarcation of land for future extension of the Linford Pierson Highway in the immediate vicinity of Outpost Lane (affected parcels paid off years ago but were being promoted for development by one party) – (PCM308);
- Gazettal instruction forwarded to define and demarcate Sea Spray Drive, off of Beach Bay Road as a public road
- ✓ Section 14 – Discontinuance of Roads (Close and Vest):
 - Scheme to close and vest a portion of Boundary Plan 40 in the immediate vicinity of 38E282 and 32E283 (BP584). This close and vest gazette was prepared as a result of BP576 gazetted in March 2015 which re-aligned a section of the road corridor of the original plan of BP40
 - Scheme to close and vest a section of Myles Lane at the rear of One Capital Place off of Shedden Road (BP583).

Legislative Changes Envisaged in 2016-17

NRA Law Revision

Amendments or revisions to the NRA Law are expected in 2016-17 to achieve:

congruence with other legislation;

modernization;

clarification;

modification of enforcement powers; and

changes to the funding mechanism;

Blasting and Explosives Issues –

Efforts are underway to revise the current law and regulations governing explosives. With help from an explosives consultant an initial draft framework for the Explosives Law & Regulations was submitted to the Legal Department. The Legal Department provided some necessary changes to be made by the NRA. The draft law and regulations are currently under a second review by the NRA team.

Notes

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**ANNUAL REPORT
2015-2016**