


## Return on Net Assets Ratio

The Return on Net Assets Ratio is a measure of whether or not the institution's resources are growing. This ratio, like all the ratios, is better applied over an extended period so that results of long term plans are measured. Long term returns are quite volatile and vary significantly based on the prevailing level of inflation. Therefore, establishing fixed nominal return targets is not possible. Rather, institutions should establish a real rate of return target in the range of 2 - 3%.

### Financial Asset Performance - Does financial asset performance support the strategic direction?

A **Return on Net Assets Ratio** determines whether the institution is financially better off than in previous years by measuring total economic return. A decline in this ratio may be appropriate and even warranted if it reflects a strategy to better fulfill the institution's mission. An improving trend in this ratio indicates that the institution is increasing its net assets and is likely to be able to set aside financial resources to strengthen its future financial flexibility.



**UTSA's CONDITION:** Change in investment earnings had a tremendous upward impact in our return on net assets over the previous year.

	FY04	FY05	FY06	FY07	FY08	FY09	FY10	Change
<b>Return on Net Assets</b>	9.8%	16.6%	11.1%	16.9%	8.4%	-0.3%	11.5%	-4.173%
<i>Data</i>								
Change in Net Assets	\$ 28,028,434	\$ 52,270,416	\$ 40,991,982	\$ 68,989,185	\$ 40,190,224	\$ (1,466,526)	\$ 59,560,719	\$ 61,027,245
Total Net Assets (Beginning of the Yr)	\$ 287,427,363	\$ 315,455,797	\$ 367,726,213	\$ 408,718,195	\$ 477,707,380	\$ 517,897,603	\$ 516,431,078	\$ (1,466,526)

### Formula

$$\frac{\text{Change in Net Assets}}{\text{Total Net Assets (Beginning of the Year)}}$$

