



THE UNIVERSITY OF TEXAS AT DALLAS

OFFICE OF AUDIT AND CONSULTING SERVICES
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May 1, 2024

Dr. Richard Benson, President,
Mr. John Cullins, Chair of the Institutional Audit Committee:

We have completed an audit of the Lena Callier Trust as part of our fiscal year 2024 Audit Plan. The primary objective of our audit was to ensure the University's compliance with the criteria set forth in the Trust Agreement for the fiscal year ended August 31, 2023. This audit is required annually by the Trust Agreement.

We found that UT Dallas generally complies with the Trust agreement requirements, and we offer no recommendations for improvement.

As of December 31, 2023, the Trust had a market value of \$6,917,206. A summary of the trust activity and the Trust Agreement is included in this report. We appreciate the courtesies and considerations extended to us during our engagement. Please let me know if you have any questions or comments regarding this audit.

DocuSigned by:

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Toni Stephens, Chief Audit Executive

Distribution List

Members and ex-officio members of the UT Dallas Institutional Audit Committee

Responsible Vice President

- Dr. Inga Musselman, VP of Academic Affairs and Provost

Responsible Party

- Dr. Angela Shoup, Executive Director, Callier Center

Other Interested Parties

- Dr. Margaret Owen, Dean *ad interim* of the School of Behavioral and Brain Sciences
- Ms. Heather Burge, Associate Provost
- Twyla Mills, Director of Business Operations, Callier Center
- Lucia Cortez, Financial Analyst, Callier Center

External Parties

- The University of Texas System Audit Office
- Legislative Budget Board
- Governor's Office
- State Auditor's Office
- Kurien S. Mathews, VP, Institutional Portfolio Manager, Bank of America
- Gerald Barclay, Asst. VP, Philanthropic Officer, Bank of America

Engagement Team

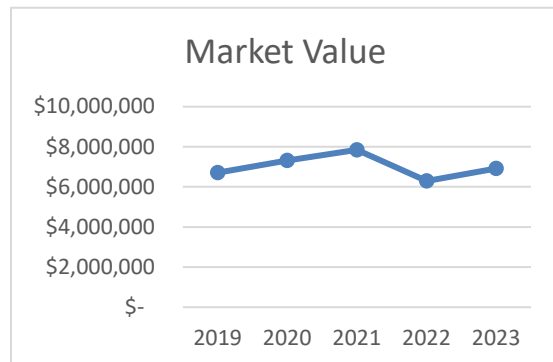
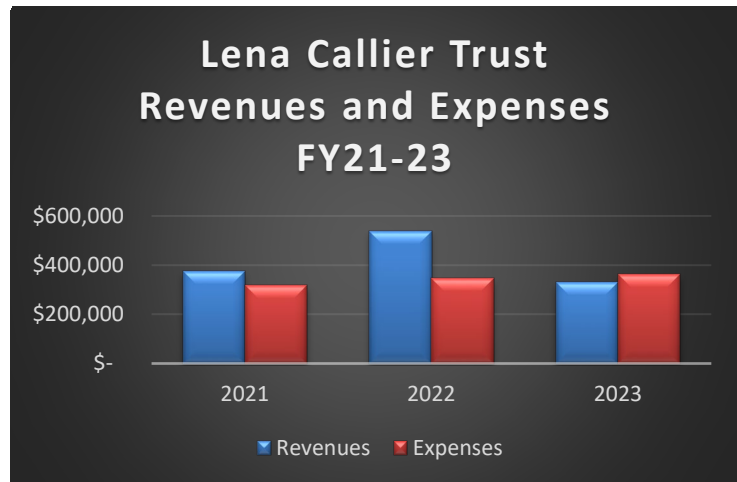
- Project Leader: Rob Hopkins, CFE, Audit Manager
- Staff: Dora Vasquez, CFE, Internal Auditor III (retired at end of audit)

Background

The Lena Callier Trust for the Hard of Hearing and the Deaf (Trust) was created by the will of Lena E. Callier in August 1955. The will established the Trust, and the Trust is perpetual and irrevocable.

The Trustee, Bank of America, determined in 1975 that UT Dallas is the sole recipient of the net income earned by the Trust. The agreement with the Trustee is revocable and can be cancelled by either party with six months' written notice. The agreement requires UT Dallas to provide the Trustee with an annual accounting for their files that

provides the necessary background to ensure that income is being used only for the purposes expressed in the Will of Mrs. Callier. As a result, UT Dallas performs procedures to ensure that funds received from the Trust are spent for Trust purposes and comply with UT Dallas policies. See the Appendix on page four for a summary of the Will and Trust provisions.



The Trust is a portfolio composed of monies from oil and gas rights, mineral properties, real estate, money market funds, and various other securities. The table above illustrates the net income received from the Trustee, including interest income and expenses over the last three fiscal years¹. As of December 31, 2023, the Trust had a market value of \$6,917,206².

Objectives, Scope and Methodology

The Lena Callier Trust audit is an annual audit, required by the Trust agreement, to ensure compliance with the terms of the agreement. The scope of the audit was fiscal year 2023. Fieldwork was conducted from December 2023 to April 2024, and the audit concluded on April 17, 2024. Procedures included a review of revenues, expenses, and other terms of the Trust to ensure financial accuracy, compliance, and effective management of the Trust.

The audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Additionally, we conducted the audit in accordance with generally accepted government auditing standards (GAGAS). Both

¹ Source: UT Dallas Financial Accounting System's Reporting Console

² Source: Bank of America Account Statement for the year ending December 31, 2023

standards are required by the Texas Internal Auditing Act, and they require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives. The Office of Audit and Consulting Services is independent per both standards for internal auditors.

Conclusion

Based on the audit work performed, we conclude that UT Dallas complies with the criteria established by the Trust, UT Dallas policies and procedures, and revenues were recognized, and expenses were incurred in accordance with the terms of the Trust for fiscal year ended August 31, 2023.

Appendix: Will and Trust Provisions

The following is a summary of the Lena Callier Will and Trust provisions. The funds should be used for the following purposes:

The principal of the Trust Estate shall not be consumed or expended, but the net income shall be used only for charitable purposes.

1. Personnel, maintenance purchases.
2. Medical research in hearing and deafness.
3. Hearing aids to those in financial need.
4. Salaries of teachers and operating personnel.
5. General operating expenses.
6. Maintenance, upkeep, and repair of facilities.
7. Expansion or acquisition of equipment, physical facilities, building, and grounds.
8. Medical or scientific research into the cause, treatment, prevention, and cure of hearing impairments or defects and deafness.
9. Contributions to non-profit corporations or unincorporated organizations or associations engaged in such research.
10. Contributions to individual physicians, surgeons, and scientists engaged in such research to be used by them for such purposes, provided results are made available to the public without charge.
11. Teaching of lip reading.
12. Teaching of language and speech.
13. Furnishing educational facilities and services designed in whole or in part to meet the special problems and situations incident to the learning process.
14. Furnishing of general educational facilities designed to afford the hard of hearing and the deaf opportunities comparable to those afforded by public institutions to the general public.
15. Furnishing psychological and psychiatric services to persons who are hard of hearing or deaf.
16. Furnishing of medical and surgical treatment and care and hospitalization for relief, amelioration, prevention, or cure of defects or impairments in hearing where, in the opinion of the Trustee, the financial circumstances of recipient are inadequate.
17. Provide hearing aids or other hearing instruments to persons who are hard of hearing or deaf, who in the Trustee's opinion do not have adequate financial resources.
18. Provide scholarships, subsidies, loans, or grants to individuals who are hard of hearing or deaf for purposes of enabling them to pursue courses of advanced study where financial circumstances are inadequate for the person to cover, and the character of the recipient is such that upon completion of such studies he may, in the opinion of the Trustee, be expected to advance and enlarge the field of knowledge in which studies have been pursued.
19. Contribution to any non-profit charitable corporation or university or organization or association whose functions or services are for the betterment of the physical, mental, or educational condition of the hard of hearing and the deaf.

Geographical Limits

Applied only in the State of Texas and preferably Dallas County

Publicity

At least annually, publish in a newspaper of general circulation in Dallas County or in the State of Texas, a statement of receipts and disbursements and a general summary of activities of the Trustee.

Trustee

Bank of America

Trustee Request

At the request of the Trustee in a letter dated January 27, 1987, UTD is to “provide us with an annual accounting for our files that provides the necessary background to ensure to the Trustee that income is being used only for the purposes expressed in the Will of Mrs. Callier.”