



THE UNIVERSITY  
OF TEXAS AT DALLAS

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# Lena Callier Trust

Audit Report No. 2610

March 18, 2026



Audit and Advisory Services  
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## Executive Summary

### Audit Objective

The objectives of the audit were to ensure compliance with the criteria established by the Trust and certain UT Dallas policies and procedures, and to determine if revenues are recognized and expenses are incurred in accordance with the terms of the Trust for the fiscal year ended August 31, 2025. This audit is required annually by the Trust agreement.

### Primary Risk Type

Development & External Relations

### Date of Last Audit

February 17, 2025.

### Controls and Strengths

- Cost center reconciliations were completed in a timely manner during FY25.

### Overall Conclusion

Stronger monitoring controls are needed to ensure compliance with the criteria established by the Trust and certain UT Dallas policies and procedures, and to ensure revenues are recognized and expenses are incurred in accordance with the terms of the Trust.

### Observations by Risk Level

Management has reviewed the observations and has provided responses and expected implementation dates. Detailed information is included in the attached report.

Observation	Risk Level	Management's Implementation Date
1. Trust Management	High	September 30, 2026

*For details about the audit procedures, explanation of risk levels, and report distribution, please see Appendices A, B, C, and D, respectively, in the attached report.*



## Detailed Audit Results

The following observation provides opportunities to enhance controls in the areas of Trust management. See Appendix C on page 9 for definitions of observation risk rankings.

### 1. Trust Management

**High Risk:** Failure to effectively manage Trust revenues, expenses, and requirements increases the risk of financial misstatement, noncompliance with Trust requirements, and potential reputational or fiduciary harm to the University and the Callier Center.

#### Observation

As part of our audit, we tested compliance with the terms of the Trust agreement, including the accuracy of revenue recognition, that expenses comply with the Trust, and that the required Trust publication was performed. Our testing identified multiple exceptions that are listed below.

#### Revenues

- Due to a process change at Bank of America, UTD did not receive the correct distribution for FY25. The difference of \$27,785.48 will be added to the distribution deficiency payment of FY26. This amount accounts for 11% of total revenue distributions for FY25.
- Callier Management should monitor revenue payments and reconcile actual payments against documented criteria.

#### Expenses

- The Lena Callier Trust mandates that the Trust's funds should be to “provide hearing aids...to persons who are hard of hearing or deaf...and whose financial circumstances are...inadequate for the purchase.” The Callier Center does not track if the hearing aids purchased with Lena Callier Trust revenues are received by those who are gifted hearing aids.
  - We tested a sample of expenses and found that 8 of 10, or 80%, of transactions are not in compliance with the terms of the Lena Callier Trust.
  - Additionally, one of the transactions did not have supporting documentation that is sufficient to evidence the expense.

#### Criteria

Our audit procedures were based on the terms of the Lena Callier Trust for the Hard of Hearing and the Deaf.

#### Management’s Action Plan

The Callier Center will monitor revenue payments from Bank of America and reconcile payments against the documented criteria from the bank related to distributions.

The Callier Center will utilize Lena Callier Trust funds for hearing aids that are gifted to patients whose financial circumstances are inadequate for the purchase. The department currently has a tracking spreadsheet we use to track gift funds and all hearing aids gifted will be recorded on this spreadsheet. We will also utilize the Trust for operational and salary expenses to ensure expenses are incurred in accordance with the trust. We will budget for this change to begin in September of the new fiscal year.

#### Action Plan Owner(s):

Angela Shoup, Executive Director, Callier Center  
 Dena LeRoy, Director of Business Operations

#### Due Date:

September, 2026



## Overall Conclusion

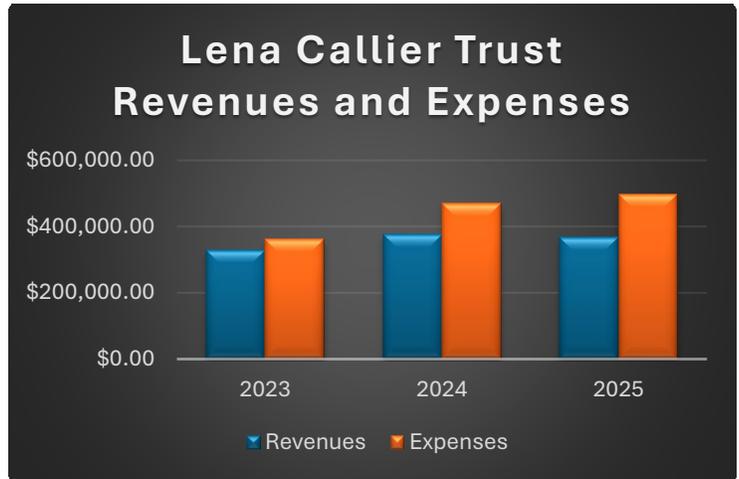
Stronger monitoring controls are needed to ensure compliance with the criteria established by the Trust and certain UT Dallas policies and procedures, and to ensure revenues are recognized and expenses are incurred in accordance with the terms of the Trust.



## Appendix A: Information Related to the 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. An Agreement regarding the disposition of the Trust's net income was signed in 1975 between the Trustee and UTD. The Agreement is revocable and can be cancelled by either party with a six-month written notice. The Agreement requires UT Dallas to provide the Trustee “the necessary background to ensure the Trustee that income is being used only for the purposes expressed in the Will of Mrs. Callier.” The Trustee requested that UT Dallas provide an annual accounting of the Trust to ensure the Trust’s income is used only for the purposes expressed in the Will of Ms. Callier. The Office of Audit and Advisory Services performs an annual audit of the Trust to fulfill this request and ensure compliance with the Trust. See Appendix B 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 years. There has been a buildup of funds available over the years; due to this, expenses incurred exceed revenues recognized. As of August 31, 2025, the Trust had a market value of \$8,097,615.

### Audit Objective

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, 2025. This audit is required annually by the Trust Agreement.

### Scope

The scope of the audit was fiscal year 2025. The audit began in November 2025, and the audit concluded on February 4, 2026.

### Methodology

The audit was conducted in conformance with the Institute of Internal Auditors’ Global Internal Audit Standards™. Additionally, we conducted the audit in conformance with generally accepted government auditing standards (GAGAS) as applicable. Both standards are required by the Texas Internal Auditing



Act, and they require that we plan and perform the audit to obtain sufficient, proper 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 observations and conclusions based on our audit objectives.

Our procedures included interviews, observations of processes, reviews of documentation, and testing. The following table outlines our procedures and observations for each of the audit area objectives performed.

Audit Area	Procedures	Observations Related to the Audit Area
Gaining an Understanding	Gained an understanding of the Trust by interviewing key responsible parties and reviewing policies, procedures, and other related documentation as considered necessary.	N/A
Revenues	Tested revenues to ensure the Trust’s revenues are recognized in the appropriate year, payments are deposited in accordance with UTDBP3040, and gift and interest documentation is accurate and complete.	#1
Expenses	Tested expenses to confirm that FY25 expenses are authorized, reasonable, supported by documentation, comply with the Lena Callier Trust agreement/UTD policies, and that related fees appear reasonable and materially accurate.	#1
Cost Center Reconciliation	Reviewed the FY25 monthly cost center reconciliations to determine if they were completed timely, and the year-end Letter of Representation certification was completed for the Lena Callier Trust cost center.	N/A
Publication	Ensured the annual summary of Trust activities was published in a newspaper of general circulation.	N/A

### Follow-up Procedures

Though management is responsible for implementing the course of action outlined in the response, we will follow up on the status of implementation after the expected implementation dates. Requests for extension to the implementation dates may require approval from the UT Dallas Audit Committee. This process will help enhance accountability and ensure that prompt action is taken to address the observations.



## Appendix B: 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 in 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.”



## Appendix C: Observation Risk Rankings

Audit observations are ranked according to the following definitions, consistent with UT System Audit Office guidance.

Risk Level	Definition
<b>Priority</b>	If not addressed immediately, a priority observation has a significant probability to directly affect the achievement of a strategic or important operational objective of UT Dallas or the UT System as a whole. These observations are reported to and tracked by the UT System Audit, Compliance, and Risk Management Committee (ACRMC).
<b>High</b>	High-risk observations are substantially undesirable and pose a high probability of adverse effects to UT Dallas either as a whole or to a division/school/department level.
<b>Medium</b>	Medium-risk observations are considered to have a moderate probability of adverse effects to UT Dallas either as a whole or to a division/school/department level.
<b>Low</b>	Low-risk observations are considered to have a low probability of adverse effects to UT Dallas either as a whole or to a division/school/department level.
<b>Not Reportable</b>	Some recommendations made during an audit are considered of minimal risk, and the observations are verbally shared with management during the audit or at the concluding meeting.



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## Appendix D: Report Submission and Distribution

We thank the Callier Center management and staff for their support, courtesy, and cooperation provided throughout this audit.

Respectfully Submitted,

DocuSigned by:  
  
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Toni Stephens, CPA, CIA, CRMA, Chief Audit Executive

### Distribution List

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

#### *Responsible Vice President(s)*

Dr. Inga Musselman, VP of Academic Affairs and Provost

#### *Action Plan Owner(s)*

Dr. Angela Shoup, Executive Director, Callier Center

Ms. Dena LeRoy, Director of Business Operations

#### *Key Stakeholders*

Dr. Adam J. Woods, Dean of the School of Behavioral and Brain Sciences

Ms. Heather Burge, Associate Provost

#### *External Parties*

- The University of Texas System Audit Office
- Legislative Budget Board
- Governor's Office
- State Auditor's Office

#### *Engagement Team*

Project Leader: Ms. Caitlin Cummins, Internal Auditor III