



Nicole Galloway, CPA

Missouri State Auditor

Office of State Treasurer

Report No. 2019-033

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auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Office of State Treasurer

Background

The Office of State Treasurer is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer as defined by Article IV Section 15 are to be the custodian of all state funds; to determine the amount of state monies not needed for current operating expenses; and to invest such monies in interest-bearing time deposits at Missouri banking institutions selected by the State Treasurer and approved by the Governor and State Auditor, short-term U.S. government securities, or certain allowable commercial paper and banker's acceptances.

The Office of State Treasurer operates in four major functional areas (1) accounting and banking services, (2) general and administrative services, (3) investments and deposit programs, and (4) unclaimed property.

On January 9, 2017, Eric Schmitt was inaugurated as the forty-sixth Treasurer of the state of Missouri. He served in this role until January 3, 2019, when he was sworn in as Missouri's forty-third Attorney General. His term as State Treasurer was to expire in January 2021. Governor Michael L. Parson appointed Scott Fitzpatrick as State Treasurer and he was sworn in on January 14, 2019. From January 3, 2019, until January 14, 2019, Jonathan M. Hensley served as Assistant State Treasurer.

Findings

The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from this audit.

In the areas audited, the overall performance of this entity was **Excellent**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Office of State Treasurer

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric Schmitt, Attorney General
and
Honorable Scott Fitzpatrick, State Treasurer
Jefferson City, Missouri

We have audited certain operations of the Office of State Treasurer, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2018. The objectives of our audit were to:

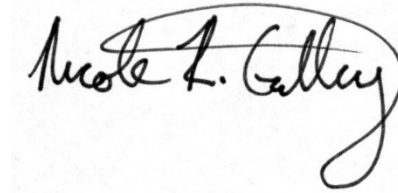
1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our 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 such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Office of State Treasurer.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end of the name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Emily Barraclough, CPA
Audit Staff:	Tori L. Riley, MBA, CFE
	Emmett Spradlin

Office of State Treasurer

Organization and Statistical Information

The Office of State Treasurer is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer as defined by Article IV Section 15 are to be the custodian of all state funds; to determine the amount of state monies not needed for current operating expenses; and to invest such monies in interest-bearing time deposits at Missouri banking institutions selected by the State Treasurer and approved by the Governor and State Auditor, short-term U.S. government securities, or certain allowable commercial paper and banker's acceptances.

The Office of State Treasurer operates in four major functional areas (1) accounting and banking services, (2) general and administrative services, (3) investments and deposit programs, and (4) unclaimed property.

The accounting and banking services area (1) maintains a fund accounting system to fulfill a statutory responsibility to keep separate accounts of the funds of the state and to allocate investment interest to funds, (2) maintains ledger controls on fund balances and appropriations to assure that no check is issued that exceeds the lawful appropriated balances, (3) controls receipt of state monies collected by state agencies and deposited in local banks throughout the state, (4) reconciles bank activity to receipt and disbursement activity reflected on the state books, (5) determines the amount of state monies not needed for current operating expenses, and (6) confirms daily disbursements with the bank as certified by the Office of Administration.

The general and administrative services area provides processing support to other areas of the office by (1) retrieving state checks, and (2) controlling and processing outlawed and replacement checks, and (3) processing invoices for office expenditures.

The investments area places state monies not needed for current operating expenses in interest-bearing time deposits, U.S. government and agency securities, commercial paper, banker's acceptances, and repurchase agreements. This area also administers the State Treasurer's statutory linked deposit program and monitors and accounts for the collateralization of state funds.

The Unclaimed Property Division administers Missouri's Unclaimed Property Act (Chapter 447, RSMo). The Unclaimed Property Division is responsible for (1) ensuring unclaimed property is reported, (2) receiving and recording reports of unclaimed property, (3) depositing unclaimed funds to the Abandoned Fund Account Fund, (4) maintaining custody and safekeeping of abandoned or unclaimed physical property, and (5) processing owner claims for abandoned funds or physical property.

On January 9, 2017, Eric Schmitt was inaugurated as the forty-sixth Treasurer of the state of Missouri. He served in this role until January 3, 2019, when he was sworn in as Missouri's forty-third Attorney General. His term as State Treasurer was to expire in January 2021. Governor Michael L. Parson



Office of State Treasurer
Organization and Statistical Information

appointed Scott Fitzpatrick as State Treasurer and he was sworn in on January 14, 2019. From January 3, 2019, until January 14, 2019, Jonathan M. Hensley served as Assistant State Treasurer.

As of June 30, 2018, the office had 45 full-time positions and 2 part-time positions to assist in the accomplishment of its mission.

Financial Activity

A summary of the office's operating financial activity, cash and investment balances, and investment income is presented in the following Appendixes and in the Notes to the Appendixes.

Appendix A

Office of State Treasurer
Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2018

STATE TREASURER'S GENERAL OPERATIONS FUND

Receipts	\$ 2,576,784
Disbursements	<u>2,027,432</u>
Receipts Over (Under) Disbursements	<u>549,352</u>
Transfers In ¹	271
Transfers Out ²	<u>(764,807)</u>
Receipts Over (Under) Disbursements and Transfers	<u>(215,184)</u>
Cash and Investments, July 1	<u>1,680,279</u>
Cash and Investments, June 30	<u><u>\$ 1,465,095</u></u>

TREASURER'S INFORMATION FUND

Receipts	\$ 392
Disbursements	<u>86</u>
Receipts Over (Under) Disbursements	<u>306</u>
Transfers In	0
Transfers Out	<u>0</u>
Receipts Over (Under) Disbursements and Transfers	<u>306</u>
Cash and Investments, July 1	<u>1,704</u>
Cash and Investments, June 30	<u><u>\$ 2,010</u></u>

CENTRAL CHECK MAILING SERVICE REVOLVING FUND

Receipts	\$ 85,463
Disbursements	<u>74,525</u>
Receipts Over (Under) Disbursements	<u>10,938</u>
Transfers In	0
Transfers Out ²	<u>(7,849)</u>
Receipts Over (Under) Disbursements and Transfers	<u>3,089</u>
Cash and Investments, July 1	<u>11,047</u>
Cash and Investments, June 30	<u><u>\$ 14,136</u></u>

Appendix A

Office of State Treasurer
Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2018

ABANDONED FUND ACCOUNT FUND

Receipts	\$	98,856,351
Disbursements		<u>45,642,387</u>
Receipts Over (Under) Disbursements		<u>53,213,964</u>
Transfers In ³		2,563,519
Transfers Out ⁴		<u>(47,357,062)</u>
Receipts Over (Under) Disbursements and Transfers		<u>8,420,421</u>
Cash and Investments, July 1		<u>25,676,910</u>
Cash and Investments, June 30	\$	<u><u>34,097,331</u></u>
Total Cash and Investments, June 30, All Funds	\$	<u><u>35,578,572</u></u>

¹ Transfers In consist of net proceeds received from the sale of surplus property.

² Transfers Out generally include payments for fringe benefits and the state's cost allocation plan.

³ Transfers In generally include the receipt of outdated state checks by the Abandoned Fund Account Fund.

⁴ Transfers Out generally include payments for fringe benefits, distribution of excess cash balance of the Abandoned Fund Account Fund to the General Revenue Fund and the State Public School Fund, and distribution of certain unclaimed property values to the Mental Health Trust Fund in accordance with state laws.

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix B

Office of State Treasurer
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2018			2017		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND						
Issuing duplicate/outlawed checks	\$ 3,750,000	1,803,708	1,946,292	3,115,000	3,101,374	13,626
Debt service and maintenance on the Edward Jones Dome project in St. Louis ¹	0	0	0	12,000,000	12,000,000	0
Refunds of excess interest from the linked deposit program	2,500	694	1,806	2,500	0	2,500
Total General Revenue Fund	3,752,500	1,804,402	1,948,098	15,117,500	15,101,374	16,126
STATE TREASURER'S GENERAL OPERATIONS FUND						
Personal service	1,649,870	1,600,506	49,364	1,649,870	1,548,562	101,308
Expense and equipment	270,672	245,297	25,375	270,672	254,617	16,055
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - expenses and equipment	181,629	181,629	0	181,227	181,113	114
Total State Treasurer's General Operations Fund	2,102,171	2,027,432	74,739	2,101,769	1,984,292	117,477
TREASURER'S INFORMATION FUND						
Preparation and dissemination of information or publications, or for refunding overpayments	8,000	86	7,914	8,000	177	7,823
Total Treasurer's Information Fund	8,000	86	7,914	8,000	177	7,823
CENTRAL CHECK MAILING SERVICE						
REVOLVING FUND						
Personal service	12,382	11,882	500	12,382	11,678	704
Expense and equipment	225,000	62,643	162,357	225,000	72,655	152,345
Total Central Check Mailing Service Revolving Fund	237,382	74,525	162,857	237,382	84,333	153,049

Appendix B

Office of State Treasurer
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2018			2017		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
ABANDONED FUND ACCOUNT FUND						
Personal service	597,664	565,817	31,847	597,664	572,263	25,401
Expense and equipment	98,600	63,152	35,448	98,600	67,325	31,275
Advertising and auctions	1,475,000	1,282,747	192,253	1,475,000	1,469,143	5,857
Payment of claims for abandoned property transferred by holders to the state	49,000,000	43,734,033	5,265,967	43,400,000	43,082,600	317,400
Total Abandoned Fund Account Fund	51,171,264	45,645,749	5,525,515	45,571,264	45,191,331	379,933
Total All Funds	\$ 57,271,317	49,552,194	7,719,123	63,035,915	62,361,507	674,408

¹ In the fiscal year 2017 budget, the General Assembly moved the appropriation for the state's share of debt service and maintenance payments for the Edward Jones Dome from the Office of Administration to the Office of State Treasurer. At the Office of State Treasurer's request, the appropriation was moved back to the Office of Administration in the fiscal year 2018 budget.

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix C

Office of State Treasurer
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2018	2017	2016	2015	2014
Salaries and wages	\$ 2,178,205	2,132,503	1,975,562	1,977,508	1,990,012
Travel, in-state	5,840	7,970	12,155	27,744	16,337
Travel, out-of-state	16,927	16,941	17,562	11,891	10,695
Supplies	235,495	224,035	238,068	235,324	226,417
Professional development	31,318	24,543	25,167	33,606	19,293
Communication services and supplies	116,255	93,507	90,920	95,845	92,383
Services:					
Professional	1,082,089	1,328,315	1,071,939	956,632	1,102,332
Housekeeping and janitorial	1,815	1,980	1,980	1,980	1,980
Maintenance and repair	80,463	78,979	70,556	67,226	63,940
Equipment:					
Computer	28,767	16,968	149,959	20,367	19,017
Office	31,658	57,827	17,817	2,367	9,066
Other	15,473	823	10,882	832	1,265
Debt service ¹	0	10,000,000	0	0	0
Building lease payments	185,629	185,113	183,883	189,533	203,266
Equipment rental and leases	45	3,470	0	1,260	1,188
Miscellaneous expenses	3,780	4,559	3,029	3,222	4,200
Refunds	694	0	290	2,463	530
Program distributions:					
Aid to local governments ¹	0	2,000,000	0	0	0
Abandoned funds claim payments	43,734,033	43,082,600	38,888,067	39,309,427	38,604,634
Replacement of outlawed checks	1,803,708	3,101,374	2,136,558	1,886,854	1,614,309
Other	0	0	0	14,020	225,596
Total Expenditures	\$ <u>49,552,194</u>	<u>62,361,507</u>	<u>44,894,394</u>	<u>44,838,101</u>	<u>44,206,460</u>

¹ In the fiscal year 2017 budget, the General Assembly moved the appropriation for the state's share of debt service and maintenance payments for the Edward Jones Dome from the Office of Administration to the Office of State Treasurer. At the Office of State Treasurer's request, the appropriation was moved back to the Office of Administration in the fiscal year 2018 budget.

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix D

Office of State Treasurer
Comparative Statement of Funds in Custody of State Treasurer

	June 30,				
	2018	2017*	2016*	2015*	2014*
APPROPRIATED FUNDS					
Demand Deposits:					
US Bank	\$ 190,783	1,006,127	2,718,966	2,550,938	89,043
Central Bank	(63,968,235)	(84,044,969)	(25,848,693)	44,683,911	25,816,389
Wells Fargo Bank	10,103,874	5,384	75,028,840	75,005,354	75,008,898
Commerce Bank	1,168,616	3,611,892	10,843,993	8,823,746	8,049,837
UMB Bank	107,057	93,945	16,425	124,063	36,741
Collection bank accounts	2,774,502	2,985,918	3,044,368	2,472,076	2,058,783
Total Demand Deposits	<u>(49,623,403)</u>	<u>(76,341,703)</u>	<u>65,803,899</u>	<u>133,660,088</u>	<u>111,059,691</u>
Pooled Investments:					
Time deposits	498,249,439	454,627,838	461,744,279	496,858,052	531,748,998
U.S. government securities	2,295,041,372	2,367,934,784	2,232,541,484	2,185,298,465	2,100,914,983
Repurchase agreements	1,166,852,000	780,508,000	1,088,870,000	877,952,000	833,101,000
Total Pooled Investments	<u>3,960,142,811</u>	<u>3,603,070,622</u>	<u>3,783,155,763</u>	<u>3,560,108,517</u>	<u>3,465,764,981</u>
Total Demand Deposits and Pooled Investments	<u>3,910,519,408</u>	<u>3,526,728,919</u>	<u>3,848,959,662</u>	<u>3,693,768,605</u>	<u>3,576,824,672</u>
Special Fund Dedicated Investments:					
U.S. government securities	55,112,253	52,812,899	51,886,441	49,265,012	46,998,293
Donated corporate stock	5,130	5,130	5,130	5,130	5,130
Total Special Fund Dedicated Investments	<u>55,117,383</u>	<u>52,818,029</u>	<u>51,891,571</u>	<u>49,270,142</u>	<u>47,003,423</u>
Total Appropriated Funds	<u>3,965,636,791</u>	<u>3,579,546,948</u>	<u>3,900,851,233</u>	<u>3,743,038,747</u>	<u>3,623,828,095</u>
NONAPPROPRIATED FUNDS					
Demand deposits	13,141,371	13,003,465	12,553,715	13,505,558	12,721,952
Repurchase agreements	0	0	0	0	1,012,000
Total Nonappropriated Funds	<u>13,141,371</u>	<u>13,003,465</u>	<u>12,553,715</u>	<u>13,505,558</u>	<u>13,733,952</u>
Total Cash and Investments	<u>\$ 3,978,778,162</u>	<u>3,592,550,413</u>	<u>3,913,404,948</u>	<u>3,756,544,305</u>	<u>3,637,562,047</u>

* Fiscal years 2017, 2016, 2015, and 2014 have been restated to reclassify certain account balances from the collection bank accounts totals to the Central Bank totals.

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix E

Office of State Treasurer
 Comparative Statement of Interest Received on Pooled Investments

	Year Ended June 30,				
	2018	2017	2016	2015	2014
INTEREST RECEIPTS					
Appropriated funds	\$ 47,231,264	27,978,208	23,254,495	21,614,688	23,995,693
Non-appropriated funds	0	0	0	1,555	808
Total Interest Receipts	\$ <u>47,231,264</u>	<u>27,978,208</u>	<u>23,254,495</u>	<u>21,616,243</u>	<u>23,996,501</u>

The accompanying Notes to the Appendixes are an integral part of this statement.



Notes to the Appendixes

1. Basis of Presentation

Amounts presented in Appendixes A through E are reported on the budgetary or cash basis of accounting. The budgetary basis recognizes revenues as cash is received and expenditures as cash is disbursed. Missouri issued a Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018, in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. The financial activity of the Office of State Treasurer is included in the CAFR.

The amounts presented in Appendix A represent receipts, disbursements, transfers, and cash and investment balances of funds that are dedicated to the activities and programs of the office.

The amounts presented in Appendixes B and C represent funds appropriated to the office by the Missouri General Assembly and expended by the office.

The amounts presented in Appendixes D and E represent all funds in the state treasury and all trust funds in the custody of the State Treasurer.

State treasury funds are subject to appropriation; trust funds are not. The appendixes do not include any funds or investments that are not in the custody of the State Treasurer.

2. Cash and Investments

Article IV, Section 15 of the Missouri Constitution establishes the State Treasurer as custodian of all state funds and funds received from the U.S. government. This section further authorizes the State Treasurer to place all such monies on time deposit, bearing interest, in Missouri banking institutions selected by the State Treasurer and approved by the Governor and the State Auditor, or in obligations of the U.S. government or any agency or instrumentality thereof maturing or becoming payable not more than 5 years from the date of purchase. In addition, the State Treasurer may enter into repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law. The State Treasurer may also invest in banker's acceptances issued by domestic commercial banks possessing the highest rating issued by at least 2 nationally recognized statistical rating organizations and in commercial paper, issued by domestic corporations receiving the highest rating issued by at least 2 nationally recognized statistical rating organizations. Investments in bankers acceptances and commercial paper shall mature and become payable not more than 180 days from the date of purchase, maintain the highest rating throughout the duration of the investment and meet any other requirements provided by law. The State Treasurer shall prepare, maintain, and adhere to a written investment policy that shall include an asset allocation plan limiting



Office of State Treasurer
 Organization and Statistical Information

the total amount of state money that may be invested in each investment category authorized by law.

Deposits

The State Treasurer maintains approximately 43 demand deposit bank accounts that serve as the state's primary operating accounts, and 101 additional demand deposit bank accounts throughout the state, some with multiple depositing locations, that serve as collection accounts for various state agencies. Cash balances in the state's accounts that are not needed for immediate use are invested.

The demand deposit accounts on Appendix D are used to manage the state's daily receipt, disbursement, and transfer activities and to segregate funds available for investing. The demand deposit accounts consist of the following:

Demand Deposit Accounts

	June 30, 2018		June 30, 2017		June 30, 2016	
	Bank Balance (\$)	Number of Accounts	Bank Balance (\$)	Number of Accounts	Bank Balance (\$)	Number of Accounts
US Bank	190,783	1	1,006,127	1	2,718,966	1
Central Bank	53,972,648	32	88,675,672	32	156,046,811	32
Commerce Bank	1,293,481	8	4,160,519	8	10,950,216	8
Wells Fargo	10,100,000	1	34,374	2	75,048,536	2
UMB Bank	107,057	1	93,945	1	16,425	1
Collection bank accounts	2,891,959	101	3,176,418	104	3,181,451	102

Banking service agreements on the operating demand accounts allow the State Treasurer to invest outstanding checks up until the checks clear the bank, thereby investing an amount in excess of book balances. Negative balances at June 30 (Appendix D) for any bank's appropriated funds demand deposits represent the book balance net of amounts invested.

The State Treasurer's deposits at June 30, 2018, were entirely covered by federal depositary insurance or by collateral securities held by the custodial banks in the State Treasurer's name.

To protect the safety of state deposits, Sections 30.270 and 110.020, RSMo, require depositories to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation.

Investments

The State Treasurer's investments at June 30, 2018, are listed by type below to give an indication of the level of risk assumed by the state at year end. All investments are insured or registered, or have collateral held by the State Treasurer or a custodial bank in the state's name.



Office of State Treasurer
Organization and Statistical Information

Investments in Custody of State
Treasurer - June 30, 2018

	Reported Amount	Fair Value
Time deposits	\$ 498,249,439	498,249,439
U.S. government securities	2,350,153,625	2,330,705,178
Repurchase agreements	1,166,852,000	1,166,852,000
Other investments	5,130	73,064
Total investments	\$ 4,015,260,194	3,995,879,681

Investments are recorded at acquisition cost except "other" investments, which are recorded at par. Investments in time deposits and repurchase agreements are acquired at face value and earn a stated interest rate. Investments in U.S. government securities are acquired at fair value and mature at face value.

3. Special Fund Dedicated Investments

The State Treasurer is assigned the authority for recording direct investments of special funds in the accounting system. The amounts presented as special fund dedicated investments in the appropriated funds on Appendix D represent specific investments made or held by the State Treasurer on behalf of the Pansy Johnson-Travis Memorial State Gardens Trust Fund and the State Public School Fund. The State Treasurer is responsible for purchasing, custodial, income collection, distribution, and record-keeping duties related to the investments of these funds.

The investments of the Pansy Johnson-Travis Memorial State Gardens Trust Fund are maintained in the instruments transferred to the State Treasurer from the previous trustee of the fund. The investment purchases for the State Public School Fund are made in accordance with the instructions of the State Public School Fund investment committee.