



Filed this 3rd day of
February 2020
Steve Barnett
SECRETARY OF STATE

SUBMITTED
JAN 31 2020
S.D. SEC. OF STATE

4:32pm

January 31, 2020

South Dakota Secretary of State's Office
Attn: Elections
500 E. Capitol Avenue, Suite 204
Pierre, SD 57501

Re: Campaign Finance Disclosure Reports

Dear Secretary of State:

As you are aware and as referenced in statements made in prior filings with your office, nearly a year ago I asked for a third party professional to review all income and expenditures of the Committee. I have now received that report from Nelson & Nelson CPAs LLP, with technical amendments prepared by Nelson & Nelson and based on their review of all of the records and reports filed with your office.

In accordance with the above, I am submitting the following enclosures to your office for filing with the Committee records:

1. Third Amended 2018 Pre-Primary Campaign Finance Disclosure Report;
2. Third Amended 2018 Pre-General Campaign Finance Disclosure Report;
3. Amended 2018 Year-End Campaign Finance Disclosure Report; and
4. 2019 Year-End Campaign Finance Disclosure Report.

Please note that in the course of the independent review:

- A. Four corporate contributions were identified (as detailed on the Third Amended 2018 Pre-Primary and Third Amended 2018 Pre-General Campaign Finance Disclosure Reports). Although legally permissible, these corporate contributions are inconsistent with the 2018 campaign pledge to not accept corporate contributions and will be reflected as a refund on the next report filed with your office.
- B. Three direct contributions from individuals were identified (as detailed on the Third Amended 2018 Pre-General Campaign Finance Disclosure Report) where credit card donations were deposited but not matched to a specific donor. The unmatched individual contributions are being donated to charity as will show on the next report filed with your office.

Feel free to contact me with questions or concerns.

Sincerely,

Ted Husted, Treasurer

James C. Nelson (1898-1982)
Wesley C. Nelson, CPA
Charles A. Nelson, CPA
Jillian R. Nelson, CPA
Douglas D. Uthe, CPA, of counsel
Robert J. Bork, CPA
Dustin D. Peterson, CPA
Tamara A. Stern, CPA
Joanne V. Belbas, CPA
Lisa J. Fligge, CPA
Michael M. Billion, CPA
Kristi K. Saxlund, CPA
Susan K. Thie, CPA
Diane L. Jewett, Enrolled Agent



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Sioux Falls, SD 57105
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www.nelsoncpas.com

NELSON NELSON

CERTIFIED PUBLIC ACCOUNTANTS, LLP

Filed this 3rd day of

February 2020

Steve Barnett
SECRETARY OF STATE

SUBMITTED
JAN 31 2020
S.D. SEC. OF STATE
4:32 pm

January 29, 2020

Kristi for Governor
Attn: Ted Husted, Treasurer
PO Box 852
Sioux Falls, SD 57101-0852

RE: Recommended changes to the Secretary of State 2018 Year-End Campaign Finance Disclosure Report

Dear Mr. Husted:

At the request of the Kristi for Governor campaign ("the Committee"), we have examined the campaign contributions (including more than 7,000 donation transactions), the Committee database, accounting records, and the correlating expenses for the periods reported on the Secretary of State Campaign Finance Disclosure Reports filed in 2017 and 2018.

The changes we recommend are based on our independent examination of the committee records and with this letter we bring those matters to your attention in compliance with SDCL 12-27-27.

In making these recommendations, it is important to understand that any financial report is a snapshot of a moment in time, and some of the corrections or additions recommended herein refine that financial snapshot.

Schedule A: Amended 2018 Year-End Campaign Finance Report

Schedule B: Itemized Individual Amendments

Please let us know should you have any questions or concerns.

Nelson & Nelson CPAs LLP
Nelson & Nelson CPAs LLP

SECRETARY OF STATE



Campaign Finance Disclosure Report

STOP! File online at <https://sdcfr.sdsos.gov/>

County, city and school candidates and ballot question committees, contact the office where you filed your nominating petition or ballot question petition to see what is required to be filed in that jurisdiction.

The Secretary of State's office is ministerial in filing and is not responsible for accuracy. It is the Committee's responsibility to provide accurate information (SDCL 12-27-49).

WHO FILES this form with the Secretary of State's Office:

Committee Types

- Statewide Political Action Committees • Statewide Political Parties • Statewide Ballot Question Committees
- Statewide Candidate Committees • Legislative Candidate Committees • County and Auxiliary Political Parties

SUBMITTED
JAN 31 2020
SD. SEC. OF STATE

Political Committee Information Required (please print):

4:32 pm

If this is a **Candidate Committee**, list the candidate name as it appears on the nominating petition and office the candidate is seeking.

FULL NAME OF POLITICAL COMMITTEE Kristi for Governor

Candidate First and Last Name Kristi Noem Office Sought Governor

Type of Political Committee (see options above) Statewide Candidate Committee

Mailing Address (PO Box or Street) PO Box 527 City Sioux Falls State SD Zip 57101

Committee Telephone Number 605-271-9232

Committee Email address (if applicable) info@kristiforgovernor.com

Treasurer Name Ted Hustead

Treasurer Mailing Address (PO Box or Street) PO Box 134 City Wall
State SD Zip 57790

Treasurer Telephone Number 605-279-2920 Treasurer Email Address thustead@rapidnet.com

If you are a **Ballot Question Committee**, explain, in detail, the measure(s) and/or issue(s) the committee is involved with and whether the committee support(s) or oppose(s) them.

Filed this 3rd day of February 2020
Steve Barnett
SECRETARY OF STATE

Type of Campaign Report (you must select one):

- Pre-Primary Pre-General Year-End Termination of Committee

You may also select one of the reports below in combination with a report above:

2018

- Amendment (for most recent report filed) Termination of Committee

No person may execute this report knowing it is false in any material respect. Any violation may be subject to a civil and/or criminal penalty. Any person who, with intent to defraud, falsely makes, completes, or alters a written instrument of any kind, or passes any forged instrument of any kind is guilty of forgery. Forgery is a Class 5 felony (SDCL 22-39-36). I also understand that failure to timely file any statement, amendment, or correction required subjects the Treasurer, who is responsible for filings under SDCL 12-27, to a civil penalty of \$200.00 (county political parties and auxiliary organizations, \$50.00) for each violation (SDCL 12-27-29.1). Additional penalties not to exceed \$250 could be assessed SDCL 12-27-29.4. I also understand that failure to timely file reports or pay penalties could result in the candidate not being certified for office (SDCL 12-27-29.3).

Date: 01/31/2020

Ted Hustead
Signature of Treasurer

DIRECT CONTRIBUTIONS FROM INDIVIDUALS

*This section reports all contributions from individuals, including family members. If a family member contribution is over the limit for an individual (there are no limits on family member contributions), please make sure to designate next to the Contributor name that they are a family member. (SDCL 12-27-7, 12-27-8, 12-27-9, 12-27-10)

*No person, entity, candidate, or political committee may give or accept a contribution unless the name, mailing address, city and state of the contributor is made known to the person, entity, candidate, or political committee receiving the contribution. (SDCL 12-27-11)

***NEW (effective July 1, 2019):** Any contribution from a person who is an unemancipated minor shall be deducted from the total contribution permitted under this section by the unemancipated minor's custodial parent or parents. (SDCL 25-5-24 defines emancipated minor)

UNITEMIZED DIRECT CONTRIBUTIONS FROM INDIVIDUALS

This is the sum of all contributions of \$100.00 or less from individuals. (SDCL 12-27-24 (11))

Amount

TOTAL of all Unitemized Direct Contributions from Individuals: \$15,442.00

ITEMIZED DIRECT CONTRIBUTIONS FROM INDIVIDUALS

Enter all itemized contributions of more than \$100.00 in the aggregate from each individual below (SDCL 12-27-24 (12)).

Example: Joe gave \$50.00 in a previous reporting period and gave \$100.00 in this reporting period, so his contributions are now required to be Itemized since his total amount contributed in the calendar year is more than \$100.00. His calendar year aggregate amount is now \$150.00. For this example, \$100.00 would be disclosed.

Contributor First and Last Name	Mailing address (Street or PO Box, City, State, Zip Code)	Amount
Joe Smith	1234 5 th Ave, Pierre, SD 57501	\$100.00*
	See Attached Schedule B for list of Changes to Itemized Direct Contributions from Individuals	\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
TOTAL of all Itemized Direct Contributions from Individuals:		\$226,140.00

LOANS MADE TO THIS COMMITTEE (SDCL 12-27-24 (17))

Loan Contributor Name	Mailing address (Street or PO Box, City, State, Zip Code)	Amount
		\$
		\$
		\$
		\$
TOTAL of all Loans Made to this Committee:		\$0.00

DIRECT CONTRIBUTIONS FROM ENTITIES

ALL political committees may receive direct contributions from entities ([SDCL 12-27-7, 8, 9, 10, and 18](#))

An entity is defined as any organized or unorganized association, business corporation, limited liability company, nonprofit corporation, limited liability partnership, limited liability limited partnership, limited partnership, partnership, cooperative, trust except for a trust account representing or containing only a contributor's personal funds, business trust, association, club, labor union, or collective bargaining organization; any local, state or national organization to which a labor organization pays membership or per capita fees, based upon its affiliation and membership; any trade or professional association that receives its funds from membership dues or service fees, whether organized inside or outside the state; any other entity of any kind, except a natural person that is, has been, or could be recognized by law; or any group of persons acting in concert that is not defined as a political committee in this chapter except, an entity is not a candidate, a public office holder, or a political committee.

*If you are a **ballot question committee**, which received a contribution from an entity, you must include with this report the **Ballot Question Contribution Statement** you received from the entity.

Entity Name	Mailing Address (Street or PO Box)	City, State and Zip Code	Amount
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
TOTAL of all Itemized Direct Contributions from Entities:			\$0.00

DIRECT CONTRIBUTIONS FROM POLITICAL PARTIES

A political party is defined by [SDCL 12-27-1 \(19\)](#). All contributions from Political Parties must be entered as a separate item listing the required information below.

Political Party name	Mailing Address (Street or PO Box)	City, State and Zip Code	Amount
Meade County Republicans	1617 W. River View Rd.	New Underwood, SD 57761	\$900.00
Beadle County Republican Women	PO Box 658	Huron, SD 57350	\$300.00
Hughes Co. Republican Party	PO Box 784	Pierre, SD 57501	\$500.00
Brown Co Republican Central Comm	PO Box 886	Aberdeen, SD 57402	\$500.00
			\$
			\$
TOTAL of all Itemized Direct Contributions from Political Parties:			\$2,200.00

DIRECT CONTRIBUTIONS FROM IN-STATE POLITICAL ACTION COMMITTEES

A political action committee (PAC) is defined by [SDCL 12-27-1 \(17\)](#). All contributions from In-State Political Action Committees must be entered as a separate item listing the required information below.

In-State PAC name	Mailing Address (Street or PO Box)	City, State and Zip Code	Amount
List Attached			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
TOTAL of all Itemized Direct Contributions from In-State Political Action Committees:			\$32,950.00

DIRECT CONTRIBUTIONS FROM OUT-OF-STATE OR FEDERAL PACS

All contributions must be itemized separately and include the PAC name and mailing address and also the name and website address of the filing office where the PAC regularly files their campaign finance report(s).

Examples: Filing Office Name = Federal Election Commission (FEC) and Filing Website Address = FEC.gov

Out-of-State or Federal PAC Name	Mailing Address (Street or PO Box, City, State, Zip Code)	Filing Office Name	Filing Website Address	Amount
List Attached				\$
				\$
				\$
				\$
TOTAL of all Itemized Direct Contributions from Out-of-State or Federal Political Action Committees:				\$962,249.55

DIRECT CONTRIBUTIONS FROM BALLOT QUESTION COMMITTEES

A ballot question committee is defined by [\(SDCL 12-27-1 \(2\)\)](#). All contributions from Ballot Question Committees must be entered as a separate item listing the required information below.

Ballot Question Committee name	Mailing Address (Street or PO Box)	City, State and Zip Code	Amount
			\$
			\$
			\$
TOTAL of all Itemized Direct Contributions from Ballot Question Committees:			\$0.00

DIRECT CONTRIBUTIONS FROM CANDIDATE COMMITTEES

A candidate committee is defined by [SDCL 12-27-1 \(3\)](#). All contributions from Candidate Committees must be entered as a separate item listing the required information below.

Candidate Committee Name	Mailing Address (Street or PO Box)	City, State and Zip Code	Amount
List Attached			\$
			\$
			\$
			\$
			\$
			\$
TOTAL of all Itemized Direct Contributions from Candidate Committees:			\$21,750.00

OTHER INCOME

This section reports all income received from any refunds, rebates, interest earned, sale of property, or other income which is not a direct contribution, during this reporting period. ([SDCL 12-27-24 \(15\)](#)) Cash donations from unknown sources are prohibited. Any contribution, money, or other thing of value received by a candidate or political committee from an unknown source shall be donated to a nonprofit charitable entity. ([SDCL 12-27-11](#))

Source of Income	Description	Amount
Example: Fundraiser	Raffle or Silent Auction	\$100.00
MetaBank	Interest	\$112.78
		\$
		\$
TOTAL of all Other Income:		\$112.78

DONATED GOODS OR SERVICES

A donated good or service is defined as a good or service provided at no charge or for less than its fair market value. The term does not include the value of services provided by a person as a volunteer for or on behalf of any candidate or political committee, including the free or discounted use of the volunteer's residence or office. ([SDCL 12-27-1 \(12\)](#))

Name and Mailing address (Street or PO Box, City, State, Zip Code)	Description	Estimated Value
Example: Joe Smith, 125 State Street, Pierre, SD	Plywood for campaign signs	\$200.00
Brendan Casey, 200 Enchanted Pines Dr., Rapid City, SD 57701	Billboards	\$2,700.00
Rhoden for Lt. Governor, PO Box 12, Union Center, SD 57787	Advertising, Consulting, Polling, Travel & Office Expense	\$179,151.19
TOTAL of all Donated Goods or Services:		\$181,851.19

ESTABLISHING AND ADMINISTERING COMMITTEE/SOLICITATION COSTS

List a description and estimated value of funds or donations by an entity to its own political committee for establishing and administering the political committee and for any solicitation costs of the political committee. [SDCL 12-27-24 \(16\)](#)

Entity Name	Categorical Description	Amount
Example: ABC Company	ABC Company pays for the administration of their ABC PAC (ex: office space rent, utility costs, equipment rental, salary for Treasurer)	\$2,000.00
		\$
		\$

EXPENDITURES

This section reports expenses that the committee has incurred. Categories have been provided for reporting common expenses. All operational expenses shall be listed.

OPERATIONAL EXPENDITURES (SDCL 12-27-24 (19))	
Categorical Description (Miscellaneous Expense Category is Prohibited)	Amount
Do not list Independent Communication Expenditures on this page (see page 7).	
Advertising	\$1,080,756.70
Bank Fees	\$2,104.95
Consulting	\$180,001.09
Credit Card Fees	\$3,212.31
Event Expenses	\$32,279.65
Loan Repayment	\$0.00
Nonprofit Charitable Organization	\$0.00
Office Supplies	\$11,897.38
Phone	\$2,080.12
Postage	\$619.74
Printing	\$76,457.83
Rent	\$2,932.52
Salaries	\$41,234.58
Travel	\$54,401.37
Utilities	\$1,028.76
List additional expense categories below. (i.e. gifts, meals, etc.; Miscellaneous is Prohibited SDCL 12-27-24(19))	\$
Dues and Subscriptions	\$9.54
Use Tax	\$4,330.00
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
TOTAL of all Operational Expenditures:	\$1,493,346.54

CONTRIBUTIONS MADE TO OTHER CANDIDATES &/OR COMMITTEES

This section reports all contributions that this committee has made to another candidate and/or committee.

Name of Candidate or Committee	Amount
Republican National Committee	\$48,415.48
South Dakota GOP	\$100,000.00
	\$
	\$
	\$
TOTAL of all Contributions to Other Candidates and/or Committees:	\$148,415.48

INDEPENDENT COMMUNICATION EXPENDITURES

Lists the **NAME** of the candidate, public office holder, or ballot question related to the independent communication expenditure, the **AMOUNT SPENT** on each independent communication and a **DESCRIPTION** of the independent communication expenditure. (SDCL 12-27-24 (20))

SDCL 12-27-1 (11) is the definition of **Independent Communication Expenditure**: *an expenditure, including the payment of money or exchange of other valuable consideration or promise, made by a person, entity, or political committee for a communication concerning a candidate or a ballot question **which is not** made to, controlled by, coordinated with, requested by, or made upon consultation with that candidate, political committee or agent of a candidate or political committee.*

Name Candidate, Public Office Holder or Ballot Question Committee	Description of Communication	Date of Communication	Amount Spent
			\$
			\$
			\$
			\$
			\$
TOTAL of all Expenditures for Communications:			\$0.00

DONATED GOODS OR SERVICES TO CANDIDATES OR COMMITTEES

A donated good or service is defined as a good or service provided at no charge or for less than its fair market value. The term does not include the value of services provided by a person as a volunteer for or on behalf of any candidate or political committee, including the free or discounted use of the volunteer's residence or office. (SDCL 12-27-1 (12))

Name and Mailing address (Street or PO Box, City, State, Zip Code)	Description	Estimated Value
Example: Joe Smith, 125 State Street, Pierre, SD	Plywood for campaign signs	\$200.00
		\$
		\$
TOTAL of all Donated Goods or Services to Candidates or Committees:		\$0.00

List any additional comments or explanations, below, regarding entries within this report:

See Attached Letter from Nelson and Nelson CPA's LLP.

SUMMARY OF INCOME AND EXPENDITURES

BEGINNING BALANCE		\$428,131.40
<i>The beginning balance is \$0.00 for new committees. For existing committees, this beginning balance is the ending balance from the last report filed.</i>		
	INCOME	EXPENSES
INCOME TOTALS		
Unitemized Contributions (total from page 2)	\$ 15,442.00	
Itemized Contributions (total from page 2)	\$ 226,140.00	
Loans Made to this Committee (total from page 2)	\$0.00	
Contributions from Entities (total from page 3)	\$0.00	
Contributions from Political Parties (total from page 3)	\$ 2,200.00	
Contributions from In-State Political Action Committees (total from page 4)	\$ 32,950.00	
Contributions from Ballot Question Committees (total from page 4)	\$0.00	
Contributions from Out-of-State or Federal Political Action Committees (total from page 4)	\$962,249.55	
Contributions from Candidate Committees (total from page 5)	\$ 21,750.00	
Other Income (total from page 5)	\$ 112.78	
TOTAL of Income	\$1,260,844.33	
EXPENSE TOTALS		
Operational Expenditures (total from page 6)		\$1,493,346.54
Contributions to Candidates and/or Committees (total from page 7)		\$148,415.48
Independent Communication Expenditures (total from page 7)		\$0.00
TOTAL of Expenses		\$1,641,762.02
ENDING BALANCE	\$47,213.71	
<i>The ending balance cannot be negative.</i>		
<i>If this is a Termination Report, the ending balance must be zero and there cannot be any outstanding debts, obligations or loans. (SDCL 12-27-25)</i>		

Below is the total of non-cash transactions conducted during the reporting period. These amounts **do not** calculate into the **ENDING BALANCE** above.

Donated Goods or Services Received (total from page 5)	\$181,851.19
Donated Goods or Services to Candidates & Committees (total from page 7)	\$0.00

Return completed form to:

Secretary of State's Office

Attn: Elections • 500 E Capitol Ave., Ste. 204 • Pierre, SD 57501

Email: cfr@state.sd.us • Fax: 605-773-6580

Schedule B

Direct Contributions from Individuals

Donations Received Pre-General Incorrectly Included in the Year End Report

Pat Bell	9960 Bloomfield Dr., Omaha, NE 68114	(1,000.00)
Joel Brannan	PO Box 9136, Rapid City, SD 57709-9136	(1,000.00)
Holly Engelhart	1611 Maplewood Lane, Aberdeen, SD 57401	(250.00)
Dennis Everson	30 W Harmon Dr. #1, Mitchell, SD 57301	(250.00)
Frank Farrar	203 9th Ave, PO Box 1029, Britton, SD 57403	(1,000.00)
Donald Gross	927 NE 8th Street, Madison, SD 57042-1814	(150.00)
Paul Katzer	25236 453rd Ave, Montrose, SD 57048	(250.00)
Stephen Kovarik	13968 Neck Yoke Road, Rapid City, SD 57702-7314	(1,000.00)
Barbara Lien	PO Box 440, Rapid City, SD 57709-0440	(1,000.00)
Pete Lien	PO Box 440, Rapid City, SD 57709-0440	(1,000.00)
John Link	12871 Greenwood Rd, Minong, WI	(4,000.00)
Troy Link	PO Box 579, Minong, WI 54859-0579	(4,000.00)
Ryan Maher	PO Box 237, Isabel, SD 57633-0237	(750.00)
Josephy Pyne	2121 Kirby Dr. #125, Houston, TX 77019	(2,000.00)
Mary Schriener	PO Box 555, Hill City, SD 57745-0555	(200.00)
Ray VanBockel	16488 318th Ave., Lebanon, SD 57445	(4,000.00)

Donations Deposited but not Reported During Report Period

Beverly Salmen	519 College Avenue N, Apt 6, Wessington Springs, SD 57382-2054	100.00
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