

**Minnesota Racing Commission
Meeting**

Thursday, December 21, 2023

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**Full Commission Meeting
Thursday, December 21, 2023 – 4:00 p.m. CST
Nutrena Conference Center
1801 Dudley Avenue, Saint Paul, MN 55108**

AGENDA

- 1) Call to Order
- 2) Roll Call
- 3) Adoption of Agenda
- 4) Approval of Minutes from Thursday, November 16, 2023
- 5) Committee Reports
 - A. Aftercare Committee
- 6) Action Items
 - A. New Business
 - a. Renewal of Class B License – Canterbury Park Entertainment, LLC
 - b. Renewal of Class B License – North Metro Harness Initiative (d/b/a Running Aces Casino Hotel and Racetrack)
 - c. 2024 Live Racing Requests from Canterbury Park Entertainment, LLC
 - i. Live Race Day Application
 - ii. Televised Race Days
 - iii. Racing Officials
 - d. Approval of Minnesota Quarter Horse Breeders' Fund Advisory Board Members
 - e. Extension of ADW Source Market Fee Agreement--eBet
 - f. Final Approval to Publish Racing Rules RD 04816
 - g. Approval of 2024 Legislative Proposal

7) Status Reports

- a. Canterbury Park Entertainment
- b. Running Aces Casino, Hotel, and Racetrack

8) Staff Reports

- a. End of Season HISA Report—Dr. Hovda

9) Executive Director's Report

- a. HISA Update
- b. Rulemaking Update
- c. Licensing Report
- d. Personnel Update
- e. ADW Report
- f. Contract Approvals

10) MQHRA/MTA/MHRI/MNHBPA Reports

11) Tribute to Minnesota Horsepersons

12) Future Meetings

Proposed Dates and Location

13) Adjourn

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Item 4 –
Minutes from
November 16, 2023

Full Commission Meeting
Thursday, November 16, 2023 – 4:00 p.m.
Nutrena Conference Center
1801 Dudley Avenue, St. Paul, MN 55108

MINUTES

Call to Order:

Agenda Item 1 – Call to Order

Chair McArdle called the meeting to order at 4:03 p.m.

Roll Call:

Agenda Item 2 – Roll Call

Present –Chair McArdle, Commissioners Colombo, Goodman, Dehn, Koob and Gingold. A quorum was acknowledged.

Other participants – Kyle Gustafson (Executive Director, Minnesota Racing Commission), E. Joseph Newton (General Counsel, Minnesota Racing Commission), Taro Ito (President/CEO, Running Aces Casino, Hotel and Racetrack), Randy Sampson (President/CEO, Canterbury Park Entertainment), Kay King (Executive Director, Minnesota Thoroughbred Association), Cathy Dessert (Vice President, Minnesota Harness Racing, Inc.) Mike Cronin (Minnesota Horsemen’s Benevolent and Protective Association).

Adoption of Agenda:

Agenda Item 3 – Approval of Agenda

Chair McArdle made an amendment to add item 4 under Action Items to approve a change to the Thoroughbred Breeders Advisory Committee member: Commissioner Dehn motioned to approve the agenda; Second by Commissioner Gingold; Motion passed.

Approval of Minutes:

Agenda Item 4 – Approval of Minutes

After a spelling correction Commission Goodman motion to approve the October 19, 2023, minutes; Second by Commissioner Dehn. Motion passed.

Agenda Item 5 – Action Item

A. New Business

1. 2024 Live Racing Requests from North Metro Harness Initiative (d/b/a Running Aces Casino, Hotel and Racetrack)
 - a. Live Race Days Application
 - b. Televised Race Days Request
 - c. Racing Officials

Chair McArdle pointed out all information was presented at the earlier Public Hearing and in their packets. Commissioner Gingold motioned to approve the 2024 Live Racing Requests from North Metro Harness Initiative: Second by Commissioner Colombo; Motion passed.

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2. 2024 HISA Assessment

Mr. Gustafson presented. HISA 2024 assessment \$883,327 with estimated credits of \$286,000 for a balance of \$597,327. Mr. Gustafson explained where the credits come from and recommended using the balance of the Legislative one-time appropriation to the Racing Commission which is \$363,488 leaving a balance due of \$233,839. He further recommends paying that balance out of the ADW account which has a balance of \$900,000. Commissioner Goodman asked about not opting in and not using the ADW dollars to pay the assessment. Mr. Gustafson answered if opt out than the assessment in full would be passed on to Canterbury Park. Mr. Gustafson replied another option to pursue is to create an additional sustainable source of revenue by asking for an increase in the ADW Regulatory fee. Commissioner Goodman brought up the 60 Minutes news story on HISA and how she felt the HISA president said that state racing commissions are not competent, and felt it was an attack and would like to see a letter sent to HISA condemning that statement and wants HISA to go on record writing us back saying we are doing a good job. Commissioner Colombo respectfully disagreed with that assessment of the 60 Minutes interview. Chair McArdle agrees with commissioner Colombo and as an industry we need HISA. Commissioner Gingold would like to give HISA a pass in this. Commissioner Goodman volunteered to write the letter, Chair McArdle will look at the rough draft and nice it up. Chair McArdle asked for a motion to approve the 2024 HISA Assessment of \$597,327 using the balance of the legislative appropriation (\$363,488) and remainder due out of the ADW regulatory fund (\$233,839); Motion made by Commissioner Gingold; Second by Commissioner Colombo; Motion passed.

3. Extension of ADW Source Market Fee Agreements

Mr. Gustafson presented. This is the approval of the agreements between the Tracks and the ADW providers. Motion to approve the Extension Agreements made by Commissioner Dehn; Second by Commissioner Koob; Motion passed.

4. Thoroughbred Breeders Advisory Committee Member Change.

Chair McArdle explained this change was needed because Chris Merz is no longer with Minnesota racing, recommendation is to replace his open seat with the appointment of Amber Carlisle. Mr. Gustafson approves of this recommendation. Motion made by Commissioner Goodman; Second by Commissioner Colombo; Motion passed.

Agenda Item 6 – Status Reports

A. Running Aces Casino, Hotel and Racetrack

Mr. Ito summarized the financials in the packet, card room revenue is flat, increase of 1%. Racing department 2% increase. October ending balance 2023 slightly higher purses estimated for 2024. Trend up is better than being down.

B. Canterbury Park Entertainment

Mr. Sampson started by mentioning everyone is deeply saddened by the passing of Bob Lothenbach, discussing a Celebration of Life for this coming Tuesday at Canterbury. Canterbury submitted their 2024 Live Racing Dates on November 15, 2023. Requesting 54 days, May 18, 2024 – September 28, 2024. Increase in overnight races is being worked on and hope to have by the December MRC meeting. The card room is 10% down in October, industry nationally has flattened out. Simulcast for October is slightly up. 3rd quarter was very rough. Construction on the 3 new barns is going well.

Agenda Item 7 – Staff Reports

A. Chief Commission Veterinarian Report

Agenda Item 9 – Executive Director's Report

A. Contract Approvals

B. Licensing Report

C. ADW Report

D. HISA Update

E. Personnel Update

F. Other

Mr. Gustafson, Executive Director presented.

- A. Contract Approvals – None for the month.
- B. Licensing Report
- C. ADW
- D. HISA
- E. Personnel Update –The Deputy Director position has been filled; Penny Nelson will start November 27, 2023.
- F. Other – Introduced Nicole Boentgen, Animal Health Specialist, Breeder’s Fund and Safety Coordinator

Item 10 – MQHRA/MTA/MHRI/MNHBPA Reports

MTA – Kay King – Saddened by the passing of Bob Lothenbach, He brought some interesting bloodlines and amazing horses to our industry, and we will definitely miss those in the near future. 2024 MTA Stallion Auction will be online January 4 - 13, 2024, Book II will be January 14-20, 2024. Having a three day Select Stallion Auction December 12 – 14, 2023 on the same website. These will be top stallions that we have premium contracts with the farm. Board elections have started, they have 4 candidates for the 3 open positions.

MHRI – Cathy Dessert – Exciting time of year, everyone can see what their yearling purchases are looking like as far as learning how to wear a harness and have a jog cart behind them. Ms. Dessert also spoke about the harness community family pulling together after the Tioga Downs Fire in New York. There is a Go-Fund Me and one of their board members said he would drive a trailer across county loaded with all sorts of horse supplies, two horses have been donated. One of the horses that died in the fire was a Minnesota Bred. Working on awards banquet, it will be in February, will have specific date at the next meeting.

MNHBPA – Mike Cronin – Working on getting another board meeting together to work on contract for this coming meet. Wanted to echo Randy’s words when it comes to Bob Lothenbach, not just the number of horses but also the spirit he brought. Also wanted to reference the 60 Minutes program, not sure we really want to shoot the messenger but a good way to address it would be in Minnesota we do the right thing. HISA is needed not all commissions are great like this one. The MNHBPA gave \$24,000 to This Old Horse and \$12,000 to Bowmans Second Chance.

Item 11 – Future Meetings

Next meeting – Thursday, December 21, 2023. Public Hearing will be held at 3:30 PM. Meeting place is Nutrena Conference Center 1801 Dudley Avenue Saint Paul, MN 55108.

Item 12 – Adjournment

Motion to adjourn by Commissioner Gingold, Second by Commissioner Colombo. Chair McArdle adjourned the meeting on Monday, November 16, 2023, at 5:11 p.m.

THESE MEETING MINUTES HAVE BEEN APPROVED ON THIS ____ DAY OF _____, 2023 BY A QUORUM OF THE MINNESOTA RACING COMMISSION.

Item 5 –
Committee Reports
A. Racehorse Aftercare
Committee

Item 6 –

Action Items

A. New Business

a. Renewal of Class B

License – Canterbury

Park Entertainment, LL

b. Renewal of Class B

License – North Metro

Harness Initiative (d/b/a

Running Aces Casino

Hotel and Racetrack)

Item 6 – Action Items

A. New Business

- c. 2024 Live Racing Requests
From Canterbury Park
Entertainment, LLC
 - i. Live Race Day
Application



November 15, 2023

Mr. Kyle Gustafson
Executive Director
Minnesota Racing Commission
1100 Canterbury Road
Shakopee, MN 55379

RE: Canterbury Park 2024 Live Racing Dates Request

Under MRC 7872.0100, Canterbury Park Entertainment, LLC respectfully requests that its application for 2024 live racing dates be placed on the agenda for consideration at the December 2023 meeting of the Minnesota Racing Commission. Please note that this request includes a 54-Day Thoroughbred & Quarter Horse mixed live racing meet. We are not at this point requesting dates for Arabian or Standardbred horses to compete at Canterbury Park in 2024. CPE anticipates reaching mutually beneficial contracts with representatives of both the Thoroughbred and Quarter Horse organizations.

As a result of the requirements outlined in MRC 7872.0100, CPE respectfully reserves the right to bring forth an amended 2024 dates requests for your consideration at a later date in the event that additional discussions with the Minnesota HBPA or Minnesota Quarter Horse Racing Association deem it appropriate.

This request contains the following exhibits:

1. A statement of the precise nature and extent of the assignment requested including breeds of horses, number of races per program, types of races, purses and hours of racing as required by MRC 7872.0100 (Exhibit A)
2. A detailed statement of how the request meets each of the criteria required by MRC 7872.0110 (Exhibit B)
3. A 2024 Racing Calendar for May, June, July, August and September (Exhibit C)
4. Canterbury Park Holding Corporation's Form 10-Q for the period ending September 30, 2023 (Exhibit D)
5. Canterbury Park's 2023 Meet Analysis (Exhibit E)

Your consideration of this request is very much appreciated,

Amber Carlisle
Racing Operations Manager
Canterbury Park Entertainment, LLC

MRC 7872.0100 *Statement of the precise nature and extent of the assignment requested including dates, breeds of horses, number of races per program, types of races, purses, and hours of racing.*

A. Live Racing Dates – (See Exhibit C for calendar)

1. **54-Day Mixed Thoroughbred and Quarter Horse Meet**
Saturday, May 18, 2024 – Saturday, September 28, 2024

B. Breeds of Horses

1. Thoroughbred
2. Quarter Horse

C. Number of Races per Program

1. Between seven (7) and fourteen (14) per day

D. Types of Races (Turf & Dirt)

1. Maiden
2. Maiden Claiming
3. Claiming
4. Starter Allowance
5. Starter Allowance/Optional Claiming
6. Allowance
7. Allowance/Optional Claiming
8. Overnight Handicaps
9. Stakes
10. Starter Stakes
11. Minnesota-bred (all categories listed above)
12. Fillies and Mares (Minnesota-bred and open races in all categories listed above)

E. Purses

1. Purses will be paid pursuant to amounts required under MN Statute §240. It is estimated that approximately \$10-11 million in purses will be offered for the meet.

F. Hours of Racing

1. Sundays, Thursday, July 4 & Monday, September 2 – **1:00 PM**
2. Wednesday, July 3, Thursday, September 26 & Saturday, September 28 – **4:00 PM**
3. Wednesdays, Thursdays & Saturdays – **5:00 PM**

MRC 7872.0110 *Statement of the basis for the assignment of live racing days.*

A. The integrity of the license:

1. Canterbury Park Entertainment, LLC (CPE) has operated a Tele-Racing Center since May 1994 and live race meets since the summer of 1995. The Company is a public corporation and the principals involved are well-respected businesspeople, several of which have been active participants in the horse racing industry for more than 35 years.

B. The financial strength of the licensee:

1. Over the past thirty years, CPE's ownership has demonstrated its commitment to the racing industry in Minnesota and has provided the resources necessary to ensure the successful operation of its assigned racing days.
2. The Company maintains a \$10 million operating line of credit provided by a bank and had no borrowings under that line of credit as of September 30, 2023. Additionally, as of September 30, 2023, CPE had no long-term debt and total Stockholders' Equity of \$80.3 million.
3. CPE has reported a profit each year from 1996 through 2022 with the exception of 2010 when CPE reported a loss of \$992,206.

For complete information regarding operating results and CPE's financial position, see the attached Quarterly Report on Form 10-Q for the period ending September 30, 2023. (Exhibit D)

C. The ability of the licensee to conduct horse racing, including the licensee's facilities, systems, policy makers, manager and personnel:

1. CPE's facility is among the most up-to-date in the industry. In recent years, the Company has invested significant resources in capital improvement projects designed to keep our facility competitive with the rapidly changing entertainment industry and ensure the safety of our equine athletes. Here is a summary of the most recent improvements:

Following the 2018 season, CPE surveyed its main track, stripped the cushion material and regraded the entirety of the base from inside to outside throughout the oval to the original 1985 elevations. In doing so, CPE discovered numerous areas that required rebuilding and resurfacing to fit the original specifications. Furthermore, as a part of this repair process, CPE had a GPS model of the racing surface developed for use in equipment that will assist in doing more precise track renovation and maintenance work in the future.

In 2019 CPE completed a significant renovation and expansion of its Card Casino which included completely redesigned food and beverage offerings, an expanded gaming floor and a more visible pit for use during live racing.

After the 2022 racing season, the new track lighting system was installed, which features updated lighting around the paddock area, grandstand and racetrack oval. This lighting project returned the racetrack's footprint to its original standard when the facility was first built in 1985. CPE contracted Musco Lighting, which has significant experience lighting various horse racing facilities around the world. The new lighting system vastly improved the quality of illumination during night racing cards and features modern technology to reduce light pollution to the surrounding community.

Construction on a new 34-room dormitory was completed and ready for occupancy early in the 2023 live racing season. The new dorms received very positive reviews from the horsepeople, especially those living in the new dorms.

Immediately following the conclusion of the 2023 racing season, construction began on the new main track safety rail. The Rider Protection system designed by Horsemen's Track and Equipment of Louisville, Kentucky is designed to help minimize injuries to both horses and riders if an accident occurs.

Following the 2023 live racing season CPE obtained the necessary city and state approvals to begin the construction of three new barns. Each of the new barns will include 10 tack rooms, 10 feed rooms and 10 wash stalls with 108 horse stalls, each 12 by 12 feet. The structures will feature open-air sides and roof vents allowing for maximum ventilation and airflow. A fabric roof will allow for natural light while providing shelter from the elements. Conveniently located between the barns will be restroom and laundry facilities.

The Company employs experienced racetrack policy makers, managers and personnel in all departments and strives to use the latest technology available within the industry. The officers and directors of the company have successfully run the past 29 race meets conducted at Canterbury Park, including the safe completion of the shortened 2020 live racing season in the midst of a global pandemic.

D. Past compliance of the licensee with statutes, rules and orders regarding pari-mutuel horse racing:

1. Since its inception in 1994, CPE has complied with all laws, rules and orders of the Minnesota Racing Commission. In September 2013, as a result of an inquiry into the improper payment of purses at Running Aces Harness Park, it came to the attention of the Corporation that CPE had underpaid purses by \$15,068 in 2012. In order to move into compliance with statute, the Company recognized an additional purse expense of \$15,068 in October 2013. The Minnesota Racing Commission was made aware of this corrective action in a letter dated October 16, 2013.

E. The licensee's market, including area, population and demographics:

1. Canterbury Park's primary market area for live racing is the entire Twin Cities metropolitan area. The demographics and population growth are very strong, particularly in our southwest portion of the metro area. Scott County and the city of Shakopee remains one of the fastest growing areas in the State of Minnesota and our

Canterbury Commons development is bringing more residents, entertainment and hospitality to the area.

F. The performance of the licensee with previously assigned dates:

1. CPE has been previously assigned live racing dates in 1995 through 2023 as well as Televised Race dates in 1994 through 2023.

The 2020 and 2021 live meets proved informative as we have dramatically increased our out-of-state wagering and the interest amongst racing fans across America. The 2022 racing season generated a new Canterbury Park wagering record with total handle amounting to \$97.6 million. While total handle declined to \$50 million in 2023 due primarily to a shortage of horses, we believe the extended meet and changes to our purse structure will help with recruiting and increasing field sizes in 2024.

The dates requested in 2024 are a hybrid of our former business model based on weekend attendance and our more recent model which has emphasized off-track wagering.

CPE desires to continue to refine its schedule and run Saturday evenings in addition to Sunday afternoons in order to allow more opportunities for our race fans to attend the races during more traditional hours. These days will allow us to focus on the entertainment-centric customer two days per week while continuing to focus on an off-track handle model on Wednesday & Thursday evenings.

We believe that starting a week earlier and ending two weeks later than our 2023 meet will allow for more racing opportunities and an increase in field size for the 2024 meet. (See Exhibit E)

G. The impact of the assignment of the racing days on the economic viability of the racetrack, including attendance and pari-mutuel handle:

1. CPE believes that the requested live racing days will provide the best possible financial outcome for both Canterbury Park and the Minnesota horsepeople in 2024, as stated above, by continuing to balance our off-track following while doing our best to appeal to the local customer.

Moving most of our racing to mid-week had a positive impact on handle in the last few seasons; however, it also resulted in lower attendance and on-track handle than pre-Covid operations; thus, the need to try to create a more entertainment-focused Saturday & Sunday schedule while trying to keep as much upside as possible from out-of-state handle.

H. The quality and quantity of economic activity and employment generated:

1. Over 36 racing seasons, Canterbury Downs & Canterbury Park has spearheaded the horse racing and horse breeding industries throughout the state. The results were well documented in the 1987 and 1988 Economic Impact Studies of the Minnesota

Department of Revenue and for the Minnesota Racing Commission. Furthermore, the results were confirmed in the 2016 report entitled *Economic Contribution of Minnesota's Horse Racing Industry* completed by the University of Minnesota's Extension Center and sponsored by the Minnesota Racing Commission when it was reported that Minnesota's horse racing industry generated an estimated \$409.2 million of economic activity throughout the state of Minnesota on an annual basis, \$176.1 million a result of direct spending within the industry.

2. To date, in its 1,806 assigned racing dates beginning in 1995, CPE has awarded approximately \$285 million in purse funds to participants in its race meets. These funds have largely been reinvested throughout the industry.

I. State tax revenue from racing and related activity:

1. Directly from the operation of Canterbury Park, the state receives tax revenue from the following sources:

- A) State income tax on withheld wagering winnings
- B) Admissions tax
- C) Sales tax from concessions
- D) Corporate income tax
- E) License fees
- F) Reimbursed state expenses
 - 1) Stewards
 - 2) Drug testing
 - 3) Veterinarians
- G) Payroll withholding
- H) State unemployment tax
- I) Pari-Mutuel Taxes (if threshold as described in MN §240.15 is reached)

To date, the State of Minnesota has received more than \$60 million in tax revenues from these sources.

2. As a result of the existence of a first-class track in Minnesota with a competitive purse structure, breeding farms create employment that benefits the state from payroll withholding, state unemployment tax, income tax, sales tax on purchases and many others. As previously mentioned, the indirect economic impact of these activities is discussed in detail in the 2016 Economic Contribution Study when it was reported that Minnesota's horse racing industry generated an estimated \$409.2 million of economic activity throughout the state of Minnesota on an annual basis, \$176.1 million a result of direct spending within the industry.

J. The entertainment and recreation opportunities for Minnesota citizens:

1. Under normal circumstances, horse racing at Canterbury Park attracts families from throughout the state. In 2019, pre-pandemic, the average daily attendance reached 6,592 while 435,087 patrons visited in total. Both figures were amongst the highest ever recorded for Canterbury Park. While 2023 attendance figures were not back to 2019

levels, it was very encouraging to see large crowds back for our Saturday and Sunday racing programs.

2. Despite legislation introduced by then Representative Brad Tabke in April 2021, Minnesotans remain unable to wager on Canterbury Park unless physically at the racetrack which limits the overall ability for horse racing to penetrate the current entertainment market.
3. In total, more than 800 TVs are available throughout the facility for the convenience of our guests. With the conversion to the High-Definition broadcast of CPE's races in 2016, Canterbury's facility has been completely upgraded to high-definition monitors. In addition, we completely renovated our infield television display and tote board in the spring of 2013. Furthermore, as a part of the same capital improvement project, CPE added a video display in the paddock for the first time in track history. The renovated video boards bring high-definition video capabilities to both the paddock and the infield and allow for the graphical display of all tote information. These improvements provided Canterbury Park with some of the finest high-definition and graphical odds displays in all of North American racing and allowed CPE to provide more racing information to our racing fans to create a more engaging fan experience on par with that they see in other professional sports venues throughout the state of Minnesota.
4. CPE added an Expo Center in 2014 that hosts both racing and non-racing events. In the winter of 2014-2015, CPE completely renovated its restaurant and suite area to complete a new premier event space and restaurant called the Triple Crown Club. In the winter of 2015-2016 CPE renovated many of its food and beverage areas and bars on the Mezzanine Level. In 2019, CPE finished a multi-phase renovation project on Track Level. Also in 2019, CPE renovated its Card Casino which included new food and beverage offerings, an expanded gaming floor and a more visible pit for use during live racing. In a project spanning from 2020 to 2022 CPE completed major improvements to its parking lot and surrounding road infrastructure to improve vehicle and pedestrian access to the facility. Canterbury Commons, our real estate development project, has successfully created a Live, Play, Work, Stay mixed use development with the highlight being a 19,000 capacity state-of-the-art outdoor concert amphitheater on schedule to open in the summer of 2025.

K. The variety of racing:

1. CPE will offer a variety of racing in terms of breeds (thoroughbred and quarter horses), racing distances (110 yards – 2 miles), racing surfaces (turf and dirt) and race conditions (outlined in Exhibit A) in 2024.

L. The quality of racing:

1. In 1995 CPE established that concentrating the available purse fund into a shorter live racing season would enhance the quality of racing by increasing the average daily purses.

2. In 2022 Canterbury Park's featured day of racing, the Northern Stars Turf Festival, resulted in the Company's highest day of handle on record with a total of \$4.7 million wagered. In conjunction with record handle, the race card featured horses that shipped from all over the country in order to participate.

M. The availability and quality of horses:

1. Purses and breeders' fund monies generated from winter simulcasting and card club operations will continue to help maintain both the availability and quality of horses in 2024. Prior to the 2013 – 2019 racing seasons, over 2,000 horses were listed on stall applications and a full complement of nearly 1,550 were stabled on the backside throughout the duration of these meets of which over 450 were foaled in Minnesota. Over the past four seasons, recruitment has grown more challenging; however, stall applications nearly topped 1,400 during the 2023 season.

In 2020, amongst a global pandemic, Canterbury Park attracted nearly 2,400 stall applications amidst the uncertainty in the industry. Despite the 2,400 applications, Canterbury Park only housed 1,250 horses for the 2020 racing season. During the 2022 meet, nearly 1,800 horses applied for stall space with over 1,300 horses housed on property during the peak of the racing season. For the 2023 season, 1,400 horses applied for stall space and occupancy reached 1,000 during the peak of the summer.

In 2024, Canterbury Park will be aggressively recruiting horses from throughout the country with the goal of attracting a horse population equal to that of previous meets. However, the industry is rapidly-changing with enhanced competition from racing in both Illinois and Nebraska where slot machines have recently been approved at race tracks which will make their purse structures more competitive. In addition, direct daily competition from other racetracks in Illinois and Iowa also running summer meets has severely diluted the horse population in the Midwest.

N. The development of horse racing:

1. By offering a first-class facility and competitive purses, CPE is striving to keep Minnesota competitive amongst its Midwest competition. Additionally, CPE continues to strive to be innovative in the development of new industry initiatives and in showing a spirit of cooperation between management and horsepeople not typical throughout the industry.
2. The Canterbury Racing Club spent over a decade educating Minnesotans about horse ownership. Additionally, Canterbury has produced a number of innovative educational seminars and video programs teaching fans how to handicap for nearly three decades. CPE will continue to lead the industry in these initiatives and is proud of the relationship we share with our horsepeople that allows us to work on such efforts collaboratively.
3. CPE and the Minnesota HBPA combined to jointly form the Minnesota Racehorse Engagement Project in 2019. This effort was solely focused on engaging the public with racehorse ownership both on the track and after a racing career has ended.

O. The quality of racetrack facilities:

1. The racetrack facilities are high quality in every respect and are explained in detail in the original five-volume license application of Minnesota Racetrack, Inc., copies of which are on file with the Minnesota Racing Commission. Over the past 29 years CPE has committed more than \$42 million to upgrades and enhancements to our grandstand and backside facilities.

Both our dirt track and our turf track are carefully maintained. We continue to work with the original engineer of the main track Michael Heuer, PE of Braun Intertec. Mr. Heuer worked as the local engineer that assisted the late Joe King in the original design, installation and maintenance of this surface over its first twenty years of existence.

2. Canterbury Park received accreditation from the National Thoroughbred Racing Association Safety and Integrity Alliance for the first time in 2010. In 2012, 2014, 2016, 2019 and 2022 Canterbury Park received a re-accreditation and, in some areas, our practices have been adopted by the NTRA as industry-leading standard practices to be implemented at other facilities throughout their accreditation process.
3. In 2022, with the implementation of the Horseracing Integrity and Safety Act of 2020, Canterbury Park attained Full Accreditation Status by the Horseracing Integrity and Safety Authority (HISA). We have been continually recognized by HISA as one of the few tracks to submit mandatory reporting documents in a timely and well organized manner.
4. After the 2022 racing season Phase I of the barn area improvement project began. Following the 2023 racing season Canterbury Park received all necessary building approvals and was able to begin Phase II of our barn area improvement project. Canterbury Park has contracted with several professional construction companies and is working closely with the horseperson's groups to create a renovated and improved stable area, including new barns and dormitories.

P. Security:

1. Canterbury Park's Security Department has a very experienced staff with most of our Security management team having been with Canterbury Park since 1995. Our Security Department works closely with the Minnesota Racing Commission and the Shakopee Police Department.
2. Since 2001, when we developed an in-house emergency medical response program, our staff has done an admirable job of managing our on-track and first aid room medical programs.

Q. Purses:

1. Purse and breeders' fund monies generated from simulcasting, the Card Casino and ADW source market fees will supplement the purses derived from the live racing pari-mutuel handle. It is estimated that \$10-11 million will be offered for all breeds in 2024

over 54 days of racing, providing a competitive purse structure featuring an average of \$23,000 per race for our overnight race program, an increase of 10% compared to 2023 overnight purse levels.

R. Benefits to Minnesota Breeders and Owners:

1. From 2016 – 2020, Minnesota-bred thoroughbreds earned more than \$5 million in purse money during each Canterbury Park live racing season. In 2021 and 2022 Minnesota-bred thoroughbreds earned over \$6 million in purse money. While 2023 Minnesota-bred payouts were not equal to earlier seasons numbers, a significant portion of purses was earned by Minnesota-breds.
2. Additionally, Breeders' and Stallion owners also received almost \$600,000 in awards paid based on the results of the 2023 live race meet.
3. Breeders' & Stallion Awards have changed greatly over the past few seasons. Rule changes that were supported by the Thoroughbred Breeders' Fund Advisory Committee and approved by Commission in early 2013 have increased the amount of money available for Breeders' and Stallion awards to incentivize additional breeding in the state of Minnesota. These rules move all available Breeders' Fund money generated from both Live Racing and Simulcasting to Breeders' Awards. Thus, the only source of funding remaining for purse supplements is revenue derived from the Card Casino.
4. The Advance Deposit Wagering law, passed during the 2015 legislative session, provides additional funds to purses and Minnesota-bred Stakes and breeders' awards for both thoroughbreds and quarter horses. As a result of the global pandemic shifting a substantial amount of handle online, these are no longer making up the difference of the amount lost based on the decrease in on-track business.

S. Stability in racing dates:

1. It is very important to have stability in racing dates in order to convince trainers and owners to bring their horses to Minnesota from other established racing circuits. In 2023, Canterbury Park, for the twenty-ninth straight year and despite a global pandemic in 2020, offered at least 50 days of racing during the months of May, June, July, August & September.
2. In 2024, CPE is applying for a racing season that consists of 54 days, thereby giving horsepeople a racing opportunity that is similar to prior Canterbury Park meets.

T. Competition among racetracks and with other providers of entertainment and recreation as well as its effect:

1. In 2023 CPE faced competition for the sixteenth year from another racetrack in the Twin Cities, Running Aces Harness Park. Throughout those sixteen years, CPE believes that Running Aces card room and simulcast operations have had a significant impact on CPE's revenues.

2. Canterbury Park competes with many other forms of recreation in the state such as the Twins, Timberwolves, Minnesota United FC, Wild, Vikings, Valleyfair, Minnesota State Fair, Renaissance Festival, charitable gambling, internet gambling, Native American Gaming and the State Lottery.
3. Additionally, the advent of ADW laws in 2016 has increased the competition for the pari-mutuel handle. The migration of simulcast handle from on-track to online ADW options accelerated in 2020-2021 due to Covid restrictions and continues to see an increasing market share. With so many alternatives, competition for both the wagering and entertainment dollar is intense.

U. The social effects:

1. The pari-mutuel horse racing industry employs thousands of people and purchases millions of dollars of goods and services in the state.
2. CPE has a strong Responsible Gaming Program for its patrons and employees. We also provide financial support to several Minnesota problem gambling organizations.
3. CPE has a strong commitment to charitable and community organizations. We have committed to return between 2% and 5% of pre-tax profits to these organizations resulting in donations totaling more than \$3 million since 2004.
4. In 2008, Canterbury Park and the Minnesota HBPA created a funding mechanism for supporting organizations which provide for rehabilitation and re-training of retired racehorses. In 2012, the voluntary fee collected from horse owners in support of these programs was increased from \$1 per start to \$2 per start and in 2016 the fee increased from \$2 per start to \$3 per start. In 2018 the fee increased to \$5 per start and in 2019 it was raised to \$7 per start.

In 2020, the fee was set at \$8 per start and a 1.5% claiming fee was added to each claimed horse with proceeds specifically designated to racehorse retirement. In 2022 the per start fee was increased to \$10 per start. This per start fee is matched by Canterbury Park.

From 2008 to present more than \$650,000 has been raised through this program for distribution to retired racehorse programs.

Year	Per Start Fee	Canterbury Match	1.5% Claiming Fee*	Total Contributions
2008	\$6,112**	\$6,012	\$0	\$12,124
2009	\$4,268	\$4,268	\$0	\$8,536
2010	\$4,153	\$4,153	\$0	\$8,306
2011	\$5,955**	\$3,955	\$0	\$9,910
2012	\$9,645**	\$9,345	\$0	\$18,990
2013	\$10,612	\$10,612	\$0	\$21,224
2014	\$10,174	\$10,174	\$0	\$20,348
2015	\$10,212	\$10,212	\$0	\$20,424
2016	\$15,195	\$15,195	\$0	\$30,390
2017	\$15,636	\$15,636	\$0	\$31,272
2018	\$25,088	\$25,088	\$0	\$50,176
2019	\$31,807	\$31,807	\$0	\$63,614
2020	\$28,312	\$28,312	\$17,997	\$74,621
2021	\$35,008	\$35,008***	\$31,672.50	\$101,688.50
2022	\$43,750	\$43,750***	\$30,971.25	\$118,471.25
2023	\$28,430	\$28,430***	\$10,916.25	\$67,776.25
Total	\$284,357	\$281,957	\$91,557	\$657,871

* This fee was new in 2020.
** Special contributions were made by individuals and/or entities in 2008, 2011 and 2012 which have been included in the Per Start Contribution column.
*** CPE will match the 2023 Per Start Contribution as part of its 2023 Annual Giving.

The funds listed above have been donated primarily to Bowman’s Second Chance Thoroughbred Adoption in Rhame, North Dakota and This Old Horse. However, CPE and the HBPA have contributed funds to the Minnesota Retired Racehorse Project (now CANTER Minnesota), Minnesota Hooved Animal Rescue, and the Minnesota Hay Bank. Additionally, we have provided funding in emergencies to help other rescue organizations throughout the country when the need arises.

V. Ecology:

1. A detailed environmental impact study was completed as a part of the original license application of Minnesota Racetrack, Inc., which has been amended and is on file in the Minnesota Racing Commission.
2. All government permits relating to the protection of the environment have been granted.

W. Community and government support:

1. Canterbury Park continues to receive widespread support from both community and local government.

X. Sentiment of horsepersons:

1. A number of the principal owners of Canterbury Park are horsepeople and for 30 years Canterbury has had an excellent working relationship with the Minnesota HBPA, the

Minnesota Quarter Horse Racing Association and Minnesota Thoroughbred Association. CPE anticipates the horseperson organizations support for this dates request and is working to make sure there will be a contract in place prior to the MRC's action on this request.

2. Canterbury Park receives additional support from out-of-state horsepersons racing annually at Canterbury Park.
- Y. Any other factors related to assignment of racing days, which the Commission deems crucial to its decision-making, as long as the same factors are considered with regard to all requests:
1. Canterbury Park has established racing dates and post times, with the approval of the Minnesota Racing Commission, based on the past twenty-nine years of racing at Canterbury Park. Stability in racing dates is an important factor in the recruitment of horses and the reputation of a racetrack as well as a necessity when attracting customers to your facility. Canterbury Park respectfully requests that the Minnesota Racing Commission consider these facts when allocating racing dates.

Summary

For reasons stated herein, CPE requests approval of the application of live racing dates. CPE is currently in negotiations with representatives of the Thoroughbred and Quarter Horse groups and is close to finalizing a mutually beneficial contract. If these negotiations deem a necessary adjustment in race dates, CPE respectfully reserves the right to bring forth an amended 2024 dates request for your consideration.

Canterbury Park 2024 Live Racing Calendar
 Proposed 54 Days - Saturday, May 18 - Saturday, September 28



Sun	Mon	Tues	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Sun	Mon	Tues	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Sun	Mon	Tues	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Sun	Mon	Tues	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

	1:00 PM
	4:00 PM
	5:00 PM
	Racing Break

Sun	Mon	Tues	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2023.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM ____ TO ____.

Commission File Number: 001-37858



CANTERBURY PARK HOLDING CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Minnesota	47-5349765
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

1100 Canterbury Road
Shakopee, MN 55379

(Address of principal executive offices and zip code)
Registrant's telephone number, including area code: (952) 445-7223

Securities registered pursuant Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of each exchange on which registered
Common Stock Common stock, \$.01 par value	CPHC	Nasdaq

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>	Emerging growth company <input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2).

Yes No

The Company had 4,944,642 shares of common stock, \$.01 par value, outstanding as of November 10, 2023.

Canterbury Park Holding Corporation
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PART 1 – FINANCIAL INFORMATION

CANTERBURY PARK HOLDING CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited) September 30, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 25,727,477	\$ 12,989,087
Restricted cash	2,348,076	3,116,916
Short-term investments	4,500,000	5,000,000
Accounts receivable, net of allowance of \$19,250 for both periods	1,619,887	618,365
Employee retention credit receivable	—	6,103,236
Inventory	284,443	262,073
Prepaid expenses	499,149	557,520
Income taxes receivable and prepaid income taxes	2,426,364	2,052,364
Total current assets	<u>37,405,396</u>	<u>30,699,561</u>
LONG-TERM ASSETS		
Deposits	—	27,000
Other prepaid expenses	8,414	41,774
TIF receivable	13,801,141	13,294,337
Related party receivable	2,938,307	2,555,320
Operating lease right-of-use asset	53,026	—
Equity investment	6,789,772	6,863,517
Land held for development	1,229,475	2,303,010
Land, buildings, and equipment, net	39,012,223	36,491,660
Total long-term assets	<u>63,832,358</u>	<u>61,576,618</u>
TOTAL ASSETS	<u>\$ 101,237,754</u>	<u>\$ 92,276,179</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 3,512,863	\$ 3,368,683
Casino accruals	2,687,596	2,684,444
Accrued wages and payroll taxes	2,396,327	1,814,879
Cash dividend payable	345,369	341,602
Accrued property taxes	532,891	795,646
Deferred revenue	366,999	413,442
Payable to horsepersons	225,798	993,529
Current portion of operating lease obligations	25,352	—
Current portion of finance lease obligations	1,570	18,973
Total current liabilities	<u>10,094,765</u>	<u>10,431,198</u>
LONG-TERM LIABILITIES		
Deferred income taxes	8,250,015	7,474,015
Investee losses in excess of equity investment	2,550,187	3,185,923
Operating lease obligations, net of current portion	27,674	—
Finance lease obligations, net of current portion	8,184	—
Total long-term liabilities	<u>10,836,060</u>	<u>10,659,938</u>
TOTAL LIABILITIES	<u>20,930,825</u>	<u>21,091,136</u>
STOCKHOLDERS' EQUITY		
Common stock, \$.01 par value, 10,000,000 shares authorized, 4,944,642 and 4,888,975 respectively, shares issued and outstanding	49,446	48,890
Additional paid-in capital	26,879,814	25,914,644
Retained earnings	53,377,669	45,221,509
Total stockholders' equity	<u>80,306,929</u>	<u>71,185,043</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 101,237,754</u>	<u>\$ 92,276,179</u>

See notes to condensed consolidated financial statements.

CANTERBURY PARK HOLDING CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
OPERATING REVENUES:				
Casino	\$ 10,224,216	\$ 10,039,527	\$ 30,322,149	\$ 30,394,387
Pari-mutuel	3,405,010	4,730,827	7,009,710	9,599,070
Food and beverage	3,310,759	3,913,320	6,808,242	7,150,715
Other	2,328,564	3,608,729	4,769,694	6,560,477
Total Net Revenues	19,268,549	22,292,403	48,909,795	53,704,649
OPERATING EXPENSES:				
Purse expense	2,594,270	2,979,947	6,034,508	6,931,243
Minnesota Breeders' Fund	308,038	323,156	822,797	874,464
Other pari-mutuel expenses	210,212	212,102	691,519	740,282
Salaries and benefits	7,245,775	6,860,590	19,922,853	18,881,258
Cost of food and beverage and other sales	1,161,665	1,365,748	2,567,561	2,771,338
Depreciation and amortization	831,379	747,267	2,308,272	2,234,790
Utilities	568,022	654,000	1,366,742	1,425,074
Advertising and marketing	887,197	1,567,163	1,817,180	2,739,638
Professional and contracted services	2,284,181	1,571,128	4,857,229	3,781,005
Gain on disposal of assets	(19,265)	-	(19,265)	-
Other operating expenses	1,390,339	1,602,933	4,117,388	3,800,281
Total Operating Expenses	17,461,813	17,884,034	44,486,784	44,179,373
Gain on sale of land	-	-	6,489,976	12,151
INCOME FROM OPERATIONS	1,806,736	4,408,369	10,912,987	9,537,427
OTHER INCOME (LOSS)				
(Loss) gain from equity investment	(674,341)	(500,143)	561,991	(1,274,058)
Interest income, net	536,904	222,671	1,433,353	620,811
Net Other (Loss) Income	(137,437)	(277,472)	1,995,344	(653,247)
INCOME BEFORE INCOME TAXES	1,669,299	4,130,897	12,908,331	8,884,180
INCOME TAX EXPENSE	(533,000)	(1,209,777)	(3,709,000)	(2,434,078)
NET INCOME	\$ 1,136,299	\$ 2,921,120	\$ 9,199,331	\$ 6,450,102
Basic earnings per share	\$ 0.23	\$ 0.60	\$ 1.87	\$ 1.33
Diluted earnings per share	\$ 0.23	\$ 0.60	\$ 1.86	\$ 1.32
Weighted average basic shares outstanding	4,933,961	4,872,674	4,913,560	4,845,743
Weighted average diluted shares	4,950,524	4,901,189	4,941,100	4,879,803
Cash dividends declared per share	\$ 0.07	\$ 0.07	\$ 0.21	\$ 0.28

See notes to condensed consolidated financial statements.

CANTERBURY PARK HOLDING CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

For the three months ended September 30, 2023

	Number of Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
Balance at June 30, 2023	4,933,844	\$ 49,338	\$ 26,538,005	\$ 52,586,742	\$ 79,174,085
Stock-based compensation	—	—	132,436	—	132,436
Dividend declared	—	—	—	(345,372)	(345,372)
401(k) stock match	10,798	108	209,373	—	209,481
Net income	—	—	—	1,136,299	1,136,299
Balance at September 30, 2023	<u>4,944,642</u>	<u>\$ 49,446</u>	<u>\$ 26,879,814</u>	<u>\$ 53,377,669</u>	<u>\$ 80,306,929</u>

For the nine months ended September 30, 2023

	Number of Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
Balance at December 31, 2022	4,888,975	\$ 48,890	\$ 25,914,644	\$ 45,221,509	\$ 71,185,043
Stock-based compensation	—	—	398,269	—	398,269
Dividend declared	—	—	—	(1,043,171)	(1,043,171)
401(K) stock match	28,597	286	644,287	—	644,573
Issuance of deferred stock awards	22,197	221	(171,970)	—	(171,749)
Shares issued under Employee Stock Purchase Plan	4,873	49	94,584	—	94,633
Net income	—	—	—	9,199,331	9,199,331
Balance at September 30, 2023	<u>4,944,642</u>	<u>\$ 49,446</u>	<u>\$ 26,879,814</u>	<u>\$ 53,377,669</u>	<u>\$ 80,306,929</u>

For the three months ended September 30, 2022

	Number of Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
Balance at June 30, 2022	4,872,593	\$ 48,726	\$ 25,273,814	\$ 41,920,229	\$ 67,242,769
Stock-based compensation	—	—	110,290	—	110,290
Dividend declared	—	—	—	(341,082)	(341,082)
401(k) stock match	7,438	74	165,198	—	165,272
Net income	—	—	—	2,921,120	2,921,120
Balance at September 30, 2022	<u>4,880,031</u>	<u>\$ 48,800</u>	<u>\$ 25,549,302</u>	<u>\$ 44,500,267</u>	<u>\$ 70,098,369</u>

For the nine months ended September 30, 2022

	Number of Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
Balance at December 31, 2021	4,812,085	\$ 48,121	\$ 24,894,571	\$ 39,410,534	\$ 64,353,226
Stock-based compensation	—	—	325,152	—	325,152
Dividend distribution	—	—	—	(1,360,369)	(1,360,369)
401(K) stock match	21,191	212	470,100	—	470,312
Issuance of deferred stock awards	41,816	418	(213,026)	—	(212,608)
Shares issued under Employee Stock Purchase Plan	4,939	49	72,505	—	72,554
Net Income	—	—	—	6,450,102	6,450,102
Balance at September 30, 2022	<u>4,880,031</u>	<u>\$ 48,800</u>	<u>\$ 25,549,302</u>	<u>\$ 44,500,267</u>	<u>\$ 70,098,369</u>

See notes to condensed consolidated financial statements.

CANTERBURY PARK HOLDING CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
	2023	2022
Operating Activities:		
Net income	\$ 9,199,331	\$ 6,450,102
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,308,272	2,234,790
Stock-based compensation expense	398,269	325,152
Stock-based employee match contribution	644,573	470,312
Gain on disposal of assets	(19,265)	—
Gain on sale of land	(6,489,976)	(12,151)
Deferred income taxes	776,000	13,900
(Gain) loss from equity investment	(561,991)	1,274,058
Changes in operating assets and liabilities:		
Accounts receivable	(1,001,522)	(1,499,353)
Employee retention credit	6,103,236	211,232
Increase in TIF receivable	(502,644)	(501,306)
Inventory, prepaid expenses and deposits	96,360	78,221
Income taxes receivable/payable and prepaid income taxes	(374,000)	(1,286,931)
Operating lease right-of-use asset	24,524	22,786
Operating lease liabilities	(24,524)	(22,786)
Accounts payable	116,379	1,595,149
Deferred revenue	(46,443)	(160,872)
Casino accruals	3,152	(560,636)
Accrued wages and payroll taxes	581,448	482,430
Accrued property taxes	(262,755)	197,175
Payable to horsepersons	(767,731)	557,568
Net cash provided by operating activities	<u>10,200,693</u>	<u>9,868,841</u>
Investing Activities:		
Additions to land, buildings, and equipment	(5,577,116)	(2,663,322)
Proceeds from disposal of assets	22,500	—
Proceeds from sale of land	8,336,359	1,159,640
Additions for TIF eligible improvements	(4,160)	(31,697)
Equity investment contributions	—	(397,807)
Increase in related party receivable	(382,987)	(145,041)
Proceeds from sale of short term investments	500,000	—
Net cash provided by (used in) investing activities	<u>2,894,596</u>	<u>(2,078,227)</u>
Financing Activities:		
Proceeds from issuance of common stock	94,633	72,554
Cash dividend paid to shareholders	(1,039,404)	(1,019,288)
Payments for taxes related to net share settlement of equity awards	(171,749)	(212,608)
Principal payments on finance lease	(9,219)	(20,170)
Net cash used in financing activities	<u>(1,125,739)</u>	<u>(1,179,512)</u>
Net increase in cash, cash equivalents, and restricted cash	11,969,550	6,611,102
Cash, cash equivalents, and restricted cash at beginning of period	<u>16,106,003</u>	<u>15,598,753</u>
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 28,075,553</u>	<u>\$ 22,209,855</u>

CANTERBURY PARK HOLDING CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(Unaudited)

Schedule of non-cash investing and financing activities			
Additions to land, buildings, and equipment funded through accounts payable	\$	28,000	\$ 53,000
Dividend declared but not yet paid		345,000	341,000
Change in investee losses in excess of equity investments		(636,000)	1,466,000
ROU assets obtained in exchange for operating lease obligations		77,550	—
Supplemental disclosure of cash flow information:			
Income taxes paid, net of refunds	\$	3,257,000	\$ 3,707,000
Interest paid		—	1,000

See notes to condensed consolidated financial statements.

CANTERBURY PARK HOLDING CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. OVERVIEW AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business – Canterbury Park Holding Corporation’s (the “Company,” “we,” “our,” or “us”) Racetrack operations are conducted at facilities located in Shakopee, Minnesota, approximately 25 miles southwest of downtown Minneapolis. In May 1994, the Company commenced year-round horse racing simulcast operations and hosted the first annual live race meet during the summer of 1995. The Company’s live racing operations are a seasonal business, as it typically hosts live race meets each year from May until September. The Company earns additional pari-mutuel revenue by televising its live racing to out-of-state racetracks around the country. Canterbury Park’s Casino typically operates 24 hours a day, seven days a week and is limited by Minnesota State law to conducting card play on a maximum of 80 tables. The Casino currently offers a variety of poker and table games. The Company’s three largest sources of revenues are from Casino operations, pari-mutuel operations, and food and beverage sales. The Company also derives revenues from related services and activities, such as admissions, advertising signage, publication sales, and from other entertainment events and activities held at the Racetrack. Additionally, the Company is developing underutilized land surrounding the Racetrack in a project known as Canterbury Commons™, with approximately 140 acres originally designated as underutilized. The Company has obtained and is pursuing several mixed-use development opportunities for this land, directly and through joint ventures.

Basis of Presentation and Preparation – The accompanying condensed consolidated financial statements include the accounts of the Company (Canterbury Park Holding Corporation and its direct and indirect subsidiaries Canterbury Park Entertainment, LLC; Canterbury Park Concessions, Inc.; and Canterbury Development, LLC). Intercompany accounts and transactions have been eliminated. The preparation of these condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the amounts reported in these condensed consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates.

These condensed consolidated financial statements and accompanying notes should be read in conjunction with the Company’s annual consolidated financial statements and the notes thereto for the fiscal year ended December 31, 2022, included in its Annual Report on Form 10-K (the “2022 Form 10-K”).

The condensed consolidated balance sheets and the related condensed consolidated statements of operations, stockholders’ equity, and the cash flows for the periods ended September 30, 2023 and 2022 have been prepared by Company management. In the opinion of management, all adjustments (which include only normal recurring adjustments, except where noted) necessary to present fairly the financial position, results of operations, statement of stockholders’ equity, and cash flows at September 30, 2023 and 2022 and for the periods then ended have been made.

Summary of Significant Accounting Policies – A detailed description of our significant accounting policies can be found in our most recent Annual Report on the 2022 Form 10-K. There were no material changes in significant accounting policies during the three and nine months ended September 30, 2023.

Restricted Cash – Restricted cash represents refundable deposits and amounts due to horsemen for purses, stakes and awards, and amounts accumulated in card game progressive jackpot pools, the player pool and poker promotional fund to be used to repay card players in the form of promotions, giveaways, prizes, or by other means.

Accounts Receivable - We evaluate our allowance for credit losses and estimate collectability of current and non-current accounts receivable based on historical bad debt experience, our assessment of the financial condition of individual companies with which we do business, current market conditions, and reasonable and supportable forecasts of future economic conditions. In times of economic turmoil, our estimates and judgments with respect to the collectability of our receivables are subject to greater uncertainty than in more stable periods. The Company does not have accounts receivable with original maturities greater than one year. The allowance for credit losses and activity as of September 30, 2023 and December 31, 2022 was not material.

Employee Retention Credit (“ERC”) – The Company qualified for federal government assistance through ERC provisions of the CARES Act passed in 2020, for the 2020 second, third, and fourth quarters, as well as the 2021 first and second quarters. The purpose of the ERC is to encourage employers to keep employees on the payroll, even if they are not working during the covered period because of the coronavirus outbreak. We recognize amounts to be refundable as tax credits if there is a reasonable assurance of compliance with grant conditions and receipt of credits. During the first nine months of 2023, the Company received the payments in full and as of September 30, 2023 and December 31, 2022, the Company’s expected one-time refunds totaling \$0 and \$6,103,236, respectively, are included on the Condensed Consolidated Balance Sheets as an employee retention credit receivable. The Company recorded \$6,103,236 on the Consolidated Statements of Operations as a credit to salaries and benefits expense in the 2021 fourth quarter.

Deferred Revenue – Deferred revenue includes advance sales related to racing, events and corporate partnerships. Revenue from these advance billings is recognized when the related event occurs or services have been performed.

Payable to Horsepersons - The Minnesota Pari-mutuel Horse Racing Act requires the Company to segregate a portion of funds (recorded as purse expense in the statements of operations) received from Casino operations and wagering on simulcast and live horse races, for future payment as purses for live horse races or other uses of the horsepersons' association. Pursuant to an agreement with the Minnesota Horsemen's Benevolent and Protective Association ("MHBPA"), the Company transferred into a trust account or paid directly to the MHBPA, \$6,174,000 and \$5,877,000 for the nine months ended September 30, 2023 and 2022, respectively, related to thoroughbred races. Minnesota Statutes provide that amounts transferred into the trust account are the property of the trust and not of the Company, and therefore these amounts are not recorded on the Company's Condensed Consolidated Balance Sheet.

Revenue Recognition – The Company's primary revenues with customers consist of Casino operations, pari-mutuel wagering on simulcast and live horse races, and food and beverage transactions. We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligation in the contract
- Recognition of revenue when, or as, we satisfy a performance obligation

The transaction price for a Casino contract is a set percentage of wagers and is recognized at the time that the wagering process is complete. The transaction price for pari-mutuel wagering is the commission received on a wager, exclusive of any track fees and is recognized upon occurrence of the live race that is presented for wagering and after that live race is made official by the respective state's racing regulatory body. The transaction price for food and beverage contracts is the net amount collected from the customer for these goods. Food and beverage services have been determined to be separate, stand-alone performance obligations and the transaction price is recorded as revenue as the good is transferred to the customer when delivery is made.

Contracts for Casino operations and pari-mutuel wagering involve two performance obligations for those customers earning points under the Company's loyalty program and a single performance obligation for customers who do not participate in the program. The Company applies a practical expedient by accounting for its gaming contracts on a portfolio basis as these wagers have similar characteristics and the Company reasonably expects the effects on the financial statements of applying the revenue recognition guidance to the portfolio would not differ materially from what would result if the guidance were applied on an individual wagering contract. For purposes of allocating the transaction price in a wagering contract between the wagering performance obligation and the obligation associated with the loyalty points earned, the Company allocates an amount to the loyalty point contract liability based on the stand-alone redemption value of the points earned, which is determined by the value of a point that can be redeemed for a cash voucher, food and beverage voucher, racing admission, valet parking, or racing forms. Based on past experience, the majority of customers redeem their points for cash vouchers. Therefore, there are no further performance obligations by the Company.

We have two general types of liabilities related to contracts with customers: (1) our MVP Loyalty Program and (2) outstanding chip liability. These are included in the line item Casino accruals on the consolidated balance sheet. We defer the full retail value of these complimentary reward items until the future revenue transaction occurs.

The Company offers certain promotional allowances at no charge to patrons who participate in its player rewards program.

We evaluate our on-track revenue, export revenue (as described below), and import revenue (as described below) contracts to determine whether we are acting as the principal or as the agent when providing services, to determine if we should report revenue on a gross or net basis. An entity acts as a principal if it controls a specified service before that service is transferred to a customer.

For on-track revenue and “import revenue,” that is revenue we generate for racing held elsewhere that our patrons wager on, we are entitled to retain a commission for providing a wagering service to our customers. For these arrangements, we are the principal because we control the wagering service; therefore, any charges, including simulcast fees, we incur for delivering the wagering service are presented as operating expenses.

For “export revenue,” when the wagering occurs outside our premises, our customer is the third-party wagering site such as a racetrack, Off Track Betting (“OTB”), or advance deposit wagering (“ADW”) provider. Therefore, the revenue we recognize for export revenue is the simulcast host fee we earn for exporting our racing signal to the third-party wagering site.

2. STOCK-BASED COMPENSATION

Long Term Incentive Plan and Award of Deferred Stock

The Long Term Incentive Plan (the “LTI Plan”) authorizes the grant of Long Term Incentive Awards that provide an opportunity to Named Executive Officers (“NEOs”) and other Senior Executives to receive a payment in cash or shares of the Company’s common stock to the extent of achievement at the end of a period greater than one year (the “Performance Period”) as compared to Performance Goals established at the beginning of the Performance Period. Beginning in 2020, and as a result of the COVID-19 pandemic, the Company temporarily suspended the granting of performance awards under its LTI Plan, and instead granted deferred stock awards designed to retain NEOs and other senior executives in lieu of LTI Plan awards from 2020 through 2023. In February 2022, the Compensation Committee made determinations regarding the achievement of 2021 performance goals and payouts under the 2019-2021 LTI Plan, which completed the performance period and awards under the 2019-2021 LTI Plan, and the last outstanding awards under the LTI Plan. Accordingly, there are no awards outstanding under the LTI Plan.

Board of Directors Stock Options, Deferred Stock Awards, and Restricted Stock Grants

The Company’s Stock Plan currently authorizes annual grants of restricted stock, deferred stock, stock options, or any combination of the three, to non-employee members of the Board of Directors at the time of the Company’s annual shareholders’ meeting as determined by the Board prior to each such meeting. Deferred stock awards represent the right to receive shares of the Company’s common stock upon vesting. Options granted under the Plan generally expire 10 years after the grant date. Restricted stock and deferred stock grants to non-employee directors generally vest 100% one year after the date of the annual meeting at which they were granted, are subject to restrictions on resale for an additional year, and are subject to forfeiture if a board member terminates his or her board service prior to the shares vesting. The unvested deferred stock awards outstanding as of September 30, 2023 to our non-employee directors consists of only the grant of deferred stock on June 1, 2023 of 7,818 shares with a weighted average fair value per share of \$23.01. There were no unvested restricted stock or stock options outstanding to any non-employee director at September 30, 2023.

Employee Deferred Stock Awards

The Company’s Stock Plan permits its Compensation Committee to grant stock-based awards, including deferred stock awards, to key employees and non-employee directors. The Company has made deferred stock grants to key employees that vest over one to four years. Deferred stock awards represent the right to receive shares of the Company’s common stock upon vesting.

During the nine months ended September 30, 2023, the Company granted employees deferred stock awards totaling 19,020 shares of common stock, with a vesting term of approximately four years and a fair value of \$25.52 per share. During the nine months ended September 30, 2022, the Company granted employees deferred stock awards totaling 18,600 shares of common stock, with a vesting term of approximately four years and a fair value of \$21.62 per share.

Employee deferred stock transactions during the nine months ended September 30, 2023 are summarized as follows:

	Deferred Stock	Weighted Average Fair Value Per Share
Non-Vested Balance, December 31, 2022	41,200	\$ 16.62
Granted	19,020	25.52
Vested	(20,050)	14.33
Forfeited	(1,950)	19.07
Non-Vested Balance, September 30, 2023	<u>38,220</u>	<u>\$ 22.13</u>

There were no stock options outstanding to any employee or other person at September 30, 2023. Stock-based compensation expense related to the LTI Plan, deferred stock awards, and restricted stock awards is included on the Condensed Consolidated Statements of Operations and totaled approximately \$398,000 and \$325,000 for the nine months ended September 30, 2023 and 2022. At September 30, 2023, there was approximately \$744,000 of total unrecognized stock-based compensation expense related to unvested employee and board of director deferred stock awards that is expected to be recognized over a period of approximately 3.5 years.

3. NET INCOME PER SHARE COMPUTATIONS

The following is a reconciliation of the numerator and denominator of the earnings per common share computations for the three and nine months ended September 30, 2023 and 2022:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (numerator) amounts used for basic and diluted per share computations:	\$ 1,136,299	\$ 2,921,120	\$ 9,199,331	\$ 6,450,102
Weighted average shares (denominator) of common stock outstanding:				
Basic	4,933,961	4,872,674	4,913,560	4,845,743
Plus dilutive effect of deferred stock awards	16,563	28,515	27,540	34,060
Diluted	<u>4,950,524</u>	<u>4,901,189</u>	<u>4,941,100</u>	<u>4,879,803</u>
Net income per common share:				
Basic	\$ 0.23	\$ 0.60	\$ 1.87	\$ 1.33
Diluted	0.23	0.60	1.86	1.32

4. GENERAL CREDIT AGREEMENT

The Company has a general credit and security agreement with a financial institution, which provides a revolving credit line up to \$10,000,000 and allows for letters of credit in the aggregate amount of up to \$2,000,000 to be issued under the credit agreement. The line of credit is collateralized by all receivables, inventory, equipment, and general intangibles of the Company. The line of credit also includes collateral in the form of a Mortgage, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents. The maturity date of the revolving line of credit is January 31, 2024. The outstanding balance on the line of credit was \$0 at both September 30, 2023 and December 31, 2022.

5. OPERATING SEGMENTS

The Company has four reportable operating segments: horse racing, Casino, food and beverage, and development. The horse racing segment primarily represents simulcast and live horse racing operations. The Casino segment represents operations of Canterbury Park's Casino. The food and beverage segment represents food and beverage operations provided during simulcast and live racing, in the Casino, and during special events. The development segment represents our real estate development operations. The Company's reportable operating segments are strategic business units that offer different products and services. They are managed separately because the segments differ in the nature of the products and services provided as well as process to produce those products and services. The Minnesota Racing Commission regulates the horse racing and Casino segments.

Depreciation, interest, and income taxes are allocated to the segments, but no allocation is made to the food and beverage segment for shared facilities. However, the food and beverage segment pays approximately 25% of gross revenues earned on live racing and special event days to the horse racing segment for use of the facilities. Starting in 2020, the food and beverage segment has not paid a commission related to live racing to the horse racing segment subsequent to the Company's first temporary shutdown of operations starting March 16, 2020.

The following tables represent a disaggregation of revenues from contracts with customers along with the Company's operating segments (in 000's):

Nine Months Ended September 30, 2023

	Horse Racing	Casino	Food and Beverage	Development	Total
Net revenues from external customers	\$ 11,186	\$ 30,322	\$ 7,402	\$ —	\$ 48,910
Intersegment revenues	194	—	893	—	1,087
Net interest income	754	—	—	679	1,433
Depreciation	1,954	225	129	—	2,308
Segment income (loss) before income taxes	(820)	6,940	2,137	7,576	15,833
Segment tax expense (benefit)	(1,076)	1,994	614	2,177	3,709

September 30, 2023

Segment Assets	\$ 88,641	\$ 2,199	\$ 33,344	\$ 33,084	\$ 157,268
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Nine Months Ended September 30, 2022

	Horse Racing	Casino	Food and Beverage	Development	Total
Net revenues from external customers	\$ 15,406	\$ 30,395	\$ 7,904	\$ —	\$ 53,705
Intersegment revenues	150	—	785	—	935
Net interest income	24	—	—	597	621
Depreciation	1,860	226	149	—	2,235
Segment income (loss) before income taxes	1,241	8,474	2,383	(846)	11,252
Segment tax expense (benefit)	(309)	2,322	653	(232)	2,434

December 31, 2022

Segment Assets	\$ 71,338	\$ 2,425	\$ 30,341	\$ 26,475	\$ 130,579
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The following are reconciliations of reportable segment revenues, income before income taxes, and assets, to the Company's consolidated totals (in 000's):

	Nine Months Ended September 30,	
	2023	2022
Revenues		
Total net revenue for reportable segments	\$ 49,997	\$ 54,640
Elimination of intersegment revenues	(1,087)	(935)
Total consolidated net revenues	<u>\$ 48,910</u>	<u>\$ 53,705</u>
Income before income taxes		
Total segment income (loss) before income taxes	\$ 15,833	\$ 11,252
Elimination of intersegment (income) loss before income taxes	(2,925)	(2,368)
Total consolidated income before income taxes	<u>\$ 12,908</u>	<u>\$ 8,884</u>
	September 30,	December 31,
	2023	2022
Assets		
Total assets for reportable segments	\$ 157,268	\$ 130,579
Elimination of intercompany balances	(56,030)	(38,303)
Total consolidated assets	<u>\$ 101,238</u>	<u>\$ 92,276</u>

6. COMMITMENTS AND CONTINGENCIES

Effective on December 21, 2021, the Company entered into a Contribution and Indemnity Agreement ("Indemnity Agreement") with affiliates of Doran Companies ("Doran") in connection with the debt refinancing on the Doran Canterbury I, LLC joint venture. Under the Indemnity Agreement, the Company is obligated to indemnify Doran for loan payment amounts up to \$5,000,000 only if the lender demands the loan guarantee by Doran. Effective on October 27, 2022, the Indemnity Agreement was amended to increase the maximum indemnification by an additional \$700,000.

The Company is periodically involved in various claims and legal actions arising in the normal course of business. Management believes that the resolution of any pending claims and legal actions at September 30, 2023 and as of the date of this report, will not have a material impact on the Company's consolidated financial positions or results of operations.

In August 2018, the Company entered into a Contract for Private Redevelopment with the City of Shakopee in connection with a Tax Increment Financing District ("TIF District"). On January 25, 2022, the Company received the fully executed First Amendment to the Contract for Redevelopment among the Master Developer, the City and the Authority, which is effective as of September 7, 2021. Under this contract, the Company is obligated to construct certain infrastructure improvements within the TIF District, and will be reimbursed for the cost of TIF eligible improvements by the City of Shakopee by future tax increment revenue generated from the developed property, up to specified maximum amounts. The total amount of funding that Canterbury will be paid as reimbursement under the TIF program for these improvements is not guaranteed and will depend on future tax revenues generated from the developed property.

7. COOPERATIVE MARKETING AGREEMENT

On March 4, 2012, the Company entered into a Cooperative Marketing Agreement (the "CMA") with the Shakopee Mdewakanton Sioux Community ("SMSC"). The primary purpose of the CMA was to increase purses paid during live horse racing at Canterbury Park's Racetrack in order to strengthen Minnesota's thoroughbred and quarter horse industry. Under the CMA, as amended, this was achieved through "Purse Enhancement Payments to Horsemen" paid directly to the MHBPA. These payments had no direct impact on the Company's consolidated financial statements or operations.

Under the CMA, as amended, SMSC also agreed to make "Marketing Payments" to the Company relating to joint marketing efforts for the mutual benefit of the Company and SMSC, including signage, joint promotions, player benefits, and events.

As noted above and affirmed in the Fifth Amendment, SMSC was obligated to make an annual purse enhancement of \$7,380,000 and an annual marketing payment of \$1,620,000 for 2022.

The amounts earned from the marketing payments were recorded as a component of other revenue and the related expenses were recorded as a component of advertising and marketing expense and depreciation in the Company's condensed consolidated statements of operations. For the three and nine months ended September 30, 2022, the Company recorded \$977,000 and \$1,764,000 in other revenue, incurred \$916,000 and \$1,603,000 in advertising and marketing expense, and incurred \$61,000 and \$161,000 in depreciation related to the SMSC marketing funds. The excess of amounts received over revenue is reflected as deferred revenue on the Company's consolidated balance sheets.

Under the CMA, the Company agreed for the term of the CMA that it would not promote or lobby the Minnesota legislature for expanded gambling authority and will support the SMSC's lobbying efforts against expanding gambling authority.

The CMA expired by its terms on December 31, 2022. Accordingly, for the three and nine months ended September 30, 2023, there were no purse enhancement payments or marketing payments under the CMA.

8. REAL ESTATE DEVELOPMENT

Equity Investments

Doran Canterbury I, LLC

On April 2, 2018, the Company’s subsidiary Canterbury Development LLC, entered into an Operating Agreement (“Operating Agreement”) with an affiliate of Doran Companies (“Doran”), a national commercial and residential real estate developer, as the two members of a Minnesota limited liability company named Doran Canterbury I, LLC (“Doran Canterbury I”). Doran Canterbury I was formed as part of a joint venture between Doran and Canterbury Development LLC to construct an upscale apartment complex on land adjacent to the Company’s Racetrack (the “Project”).

On September 27, 2018, Canterbury Development LLC contributed approximately 13 acres of land as its equity contribution in the Doran Canterbury I joint venture and became a 27.4% equity member. On December 20, 2018, financing for Doran Canterbury I was secured. Doran Canterbury I has completed developing Phase I of the Project, which includes 321 units, a heated parking ramp, and a clubhouse. As the Company is able to assert significant influence, but not control, over Doran Canterbury I’s operational and financial policies, the Company accounts for the joint venture as an equity method investment. For the three and nine months ended September 30, 2023, the Company recorded a loss of \$650,000 and income of \$636,000, respectively, on equity method investment related to this joint venture. The increased income for the first nine months of 2023 related to this joint venture is due to the receipt of insurance proceeds related to an outstanding claim. For the three and nine months ended September 30, 2022, the Company recorded \$455,000 and \$1,466,000, respectively, in loss on equity method investments related to this joint venture. In accordance with U.S. GAAP, since we are committed to provide future member loans to Doran Canterbury I to cover the costs of construction or operating deficiencies, we also present as a liability in the accompanying Condensed Consolidated Balance Sheets the net balance recorded for our share of Doran Canterbury I’s losses in excess of the amount funded into Doran Canterbury I, which was \$2,550,000 and \$3,186,000 at September 30, 2023 and December 31, 2022, respectively. See Note 10 of Notes to Financial Statements for a summary of member loans to Doran Canterbury I.

Doran Canterbury II, LLC

In connection with the execution of the Amended Doran Canterbury I Agreement, on August 18, 2018, Canterbury Development LLC entered into an Operating Agreement with Doran Shakopee, LLC as the two members of a Minnesota limited liability company entitled Doran Canterbury II, LLC (“Doran Canterbury II”). The Operating Agreement was amended and restated by the members effective July 30, 2020. Under the Doran Canterbury II Operating Agreement, Doran Canterbury II will pursue development of Phase II of the Project. Phase II will include an additional 300 apartment units. Canterbury Development’s equity contribution to Doran Canterbury II for Phase II was approximately 10 acres of land, which were contributed to Doran Canterbury II on September 30, 2020. In connection with its contribution, Canterbury Development became a 27.4% equity member in Doran Canterbury II with Doran owning the remaining 72.6%. As the Company is able to assert significant influence, but not control, over Doran Canterbury II’s operational and financial policies, the Company accounts for the joint venture as an equity method investment. As of September 30, 2023, the proportionate share of Doran Canterbury II’s earnings was immaterial. During the three and nine months ended September 30, the Company did not make any contributions as an equity investment contribution in Doran Canterbury II. During the three and nine months ended September 30, 2022, the Company contributed approximately \$0 and \$398,000, respectively, as an equity investment contribution in Doran Canterbury II. Under the Operating Agreement, we are required to provide future member loans to Doran Canterbury II to cover the costs of construction or operating deficiencies. See Note 10 of Notes to Financial Statements for a summary of member loans to Doran Canterbury II.

Canterbury DBSV Development, LLC

On June 16, 2020, Canterbury Development LLC, entered into an Operating Agreement with an affiliate of Greystone Construction, as the two members of a Minnesota limited liability company named Canterbury DBSV Development, LLC (“Canterbury DBSV”). Canterbury DBSV was formed as part of a joint venture between Greystone and Canterbury Development LLC for a multi-use development on the 13-acre land parcel located on the southwest portion of the Company’s racetrack. Canterbury Development LLC’s equity contribution to Canterbury DBSV was approximately 13 acres of land, which were contributed to Canterbury DBSV on July 1, 2020. In connection with its contribution, Canterbury Development became a 61.87% equity member in Canterbury DBSV. As the Company is able to assert significant influence, but not control, over Canterbury DBSV’s operational and financial policies, the Company accounts for the joint venture as an equity method investment. For the three and nine months ended September 30, 2023, the Company recorded \$24,000 and \$76,000, respectively, in loss on equity method investments related to this joint venture. For the three and nine months ended September 30, 2022, the Company recorded a loss of \$45,000 and income of \$194,000, respectively, on equity investment related to this joint venture.

The following table summarizes changes to the Equity investment and Investee losses in excess of equity investment lines on our consolidated balance sheets for the nine months ended September 30, 2023:

	Equity Investment	Investee losses in excess of equity investment	Net Equity Investment
Net Equity Investment Balance at 12/31/22	\$ 6,863,517	\$ (3,185,923)	\$ 3,677,594
Q1 Equity investment income (loss)	(23,232)	1,881,744	1,858,512
Q2 Equity investment income (loss)	(26,071)	(596,109)	(622,180)
Q3 Equity investment income (loss)	(24,442)	(649,899)	(674,341)
Net Equity Investment Balance at 9/30/23	<u>\$ 6,789,772</u>	<u>\$ (2,550,187)</u>	<u>\$ 4,239,585</u>

Tax Increment Financing

On August 8, 2018, the City Council of the City of Shakopee, Minnesota approved a Contract for Private Redevelopment (“Redevelopment Agreement”) between the City of Shakopee Economic Development Authority (“Shakopee EDA”) and Canterbury Park Holding Corporation and its subsidiary Canterbury Development LLC in connection with a Tax Increment Financing District (“TIF District”) that the City had approved in April 2018. The City of Shakopee, the Shakopee EDA and the Company entered into the Redevelopment Agreement on August 10, 2018.

Under the Original Agreement, the Company agreed to undertake a number of specific infrastructure improvements within the TIF District, and the City agreed that a portion of the tax revenue generated from the developed property will be paid to the Company to reimburse it for its expense in constructing these improvements. Under the Original Agreement, the total estimated cost of TIF eligible improvements to be borne by the Company was \$23,336,500.

On January 25, 2022, the Company received the fully executed First Amendment to the Contract for Private Redevelopment (the “First Amendment”) among the Company, the City of Shakopee, and the Shakopee EDA, which is effective as of September 7, 2021. Under the First Amendment and as part of the authorized changes regarding the responsibilities of the Company and the City, improvements on Unbridled Avenue will be primarily constructed by the City of Shakopee. As a result, the total estimated cost of TIF eligible improvements to be borne by the Company was reduced by \$5,744,000 to an amount not to exceed \$17,592,881. In order to reimburse the Company for the qualified costs related to constructing the developer improvements, the Authority will issue and the Company will receive a TIF Note in the maximum principal amount of \$17,592,881. The First Amendment also memorialized that the Company completed the Shenandoah Drive improvements as required prior to December 31, 2019. The City is obligated to issue bonds to finance the portion of the improvements required to be constructed by the City.

A detailed Schedule of the Public Improvements under the First Amendment, the timeline for their construction and the source and amount of funding is set forth in the First Amendment, which is filed as Exhibit 10.1 of the Form 8-K filed on January 31, 2022. The Company expects to substantially complete the remaining developer improvements by July 17, 2027 and will be reimbursed for costs of the developer improvements incurred by no later than July 17, 2027. The total amount of funding that the Company will be paid as reimbursement under the TIF program for these improvements is not guaranteed, however, and will depend in part on future tax revenues generated from the developed property.

As of September 30, 2023, the Company recorded a TIF receivable of approximately \$13,801,000, which represents \$11,305,000 of principal and \$2,496,000 of interest. Management believes future tax revenues generated from current development activity will exceed the Company's development costs and thus, management believes no allowance related to this receivable is necessary. As of December 31, 2022, the Company recorded a TIF receivable of approximately \$13,294,000, which represented \$11,301,000 of principal and \$1,993,000 of interest.

The Company expects to finance its improvements under the Redevelopment Agreement with funds from its current operating resources and existing credit facility and, potentially, third-party financing sources.

9. LEASES

The Company determines if an arrangement is a lease or contains a lease at inception. The Company leases some office equipment under finance leases. We also lease equipment related to our horse racing operations under operating leases. For lease accounting purposes, we do not separate lease and nonlease components, nor do we record operating or finance lease assets and liabilities for short term leases.

As our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date to determine the present value of lease payments. We recognize expense for operating leases on a straight-line basis over the lease term. The Company's lease agreements do not contain any variable lease payments, material residual value guarantees or any restrictive covenants.

Lease costs related to operating leases were \$26,785 and \$22,855 for the nine months ended September 30, 2023 and 2022. The total lease expenses for leases with a term of twelve months or less for which the Company elected not to recognize a lease asset or liability was \$378,134 and \$411,354 for the nine months ended September 30, 2023 and 2022, respectively.

Lease costs included in depreciation and amortization related to our finance leases were \$18,708 for both the nine months ended September 30, 2023 and 2022. Interest expense related to our finance leases was immaterial.

The following table shows the classification of the right of use assets on our consolidated balance sheets:

Balance Sheet Location		September 30, 2023	December 31, 2022
Assets			
Finance	Land, buildings and equipment, net (1)	\$ 9,754	\$ 18,973
Operating	Operating lease right-of-use assets	53,026	-
Total Leased Assets		\$ 62,780	\$ 18,973

1 – Finance lease assets are net of accumulated amortization of \$118,044 and \$106,586 as of September 30, 2023 and December 31, 2022, respectively.

The following table shows the lease terms and discount rates related to our leases:

	September 30, 2023	December 31, 2022
Weighted average remaining lease term (in years):		
Finance	5.2	0.7
Operating	0.8	0.0
Weighted average discount rate (%):		
Finance	8.5%	5.0%
Operating	8.0%	0.0%

The maturity of operating leases and finance leases as of September 30, 2023 are as follows:

Nine Months Ended September 30, 2023	Operating leases	Finance leases
2023 remaining	\$ —	\$ 585
2024	26,785	2,339
2025	28,230	2,339
2026	—	2,339
2027 and beyond	—	4,485
Total minimum lease obligations	55,015	12,088
Less: amounts representing interest	(1,989)	(2,334)
Present value of minimum lease payments	53,026	9,754
Less: current portion	(25,352)	(1,570)
Lease obligations, net of current portion	\$ 27,674	\$ 8,184

10. RELATED PARTY RECEIVABLES

Since 2019, the Company has made member loans to the Doran Canterbury I and the Doran Canterbury II joint ventures totaling approximately \$2,485,000 and \$2,269,000 as of September 30, 2023 and December 31, 2022, respectively. These member loans bear interest at the rate equal to the Prime Rate plus two percent per annum, and accrued interest totaled \$451,000 and \$275,000 as of September 30, 2023 and December 31, 2022, respectively. The Company expects to be fully reimbursed for these member loans as and when the joint ventures achieve positive cash flow. Under the Operating Agreements for Doran Canterbury I and Doran Canterbury II, the joint ventures must repay member loans before payments to members in accordance with their percentage interests.

The Company has also recorded related party receivables of approximately \$2,000 and \$11,000 as of September 30, 2023 and December 31, 2022, respectively, for various related costs incurred by the Company. The Company expects to be fully reimbursed for these costs by the related parties in 2023.

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand Canterbury Park Holding Corporation and its subsidiaries, our operations, our financial results and financial condition and our present business environment. This MD&A is provided as a supplement to, and should be read in conjunction with, our condensed consolidated financial statements and the accompanying notes to the financial statements (the "Notes").

Overview:

Canterbury Park Holding Corporation (the "Company," "we," "our," or "us") conducts pari-mutuel wagering operations and hosts "unbanked" card games at its Canterbury Park Racetrack and Casino facility (the "Racetrack") in Shakopee, Minnesota, which is approximately 25 miles southwest of downtown Minneapolis. The Racetrack is the only facility in the State of Minnesota that offers live pari-mutuel thoroughbred and quarter horse racing.

The Company's pari-mutuel wagering operations include both wagering on thoroughbred and quarter horse races during live meets at the Racetrack each year from May through September, and year-round wagering on races held at out-of-state racetracks that are televised simultaneously at the Racetrack ("simulcasting"). Unbanked card games, in which patrons compete against each other, are hosted in the Casino at the Racetrack. The Casino typically operates 24 hours a day, seven days a week. The Casino offers both poker and table games at up to 80 tables. The Company also derives revenues from related services and activities, such as concessions, parking, advertising signage, publication sales, and from other entertainment events and activities held at the Racetrack.

Operations Review for the Three and Nine Months Ended September 30, 2023:

Revenues:

Total net revenues for the three months ended September 30, 2023 were \$19,269,000, a decrease of \$3,024,000, or 13.6%, compared to total net revenues of \$22,292,000 for the three months ended September 30, 2022. Total net revenues for the nine months ended September 30, 2023 were \$48,910,000, a decrease of \$4,795,000, or 8.9%, compared to total net revenues of \$53,705,000 for the nine months ended September 30, 2022. See below for a further discussion of our sources of revenues.

Casino Revenue:

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Poker Games Collection	\$ 1,844,000	\$ 1,925,000	\$ 5,665,000	\$ 5,705,000
Other Poker Revenue	739,000	715,000	2,253,000	2,066,000
Total Poker Revenue	2,583,000	2,640,000	7,918,000	7,771,000
Table Games Collection	7,037,000	6,822,000	20,567,000	20,850,000
Other Table Games Revenue	604,000	578,000	1,837,000	1,773,000
Total Table Games Revenue	7,641,000	7,400,000	22,404,000	22,623,000
Total Casino Revenue	\$ 10,224,000	\$ 10,040,000	\$ 30,322,000	\$ 30,394,000

The primary source of Casino revenue is a percentage of the wagers received from players as compensation for providing the Casino facility and services, which is referred to as "collection revenue." Other Poker Revenue and Other Table Games Revenue presented above includes fees collected for the administration of tournaments and the poker jackpot and amounts earned as reimbursement of the administrative costs of maintaining table games jackpot funds, respectively.

As indicated by the table above, total Casino revenue remained relatively flat, increasing \$184,000, or 1.8%, and decreasing \$72,000, or 0.2%, for the three and nine months ended September 30, 2023, respectively, compared to the same periods in 2022.

Pari-Mutuel Revenue:

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Simulcast	\$ 906,000	\$ 901,000	\$ 2,848,000	\$ 2,997,000
Live Racing	1,047,000	1,214,000	1,526,000	1,890,000
Guest Fees	1,082,000	2,133,000	1,533,000	3,449,000
Other revenue	370,000	483,000	1,103,000	1,263,000
Total Pari-Mutuel Revenue	\$ 3,405,000	\$ 4,731,000	\$ 7,010,000	\$ 9,599,000

Total pari-mutuel revenue decreased \$1,326,000, or 28%, and \$2,589,000, or 27%, for the three and nine months ended September 30, 2023, respectively, compared to the same periods in 2022. The decrease in pari-mutuel revenues is primarily due to a decrease in live race days year-over-year (53 race days in 2023 compared to 64 race days in 2022) as well as decreased guest fees from out-state-handle on our live racing product.

Food and Beverage Revenue:

Food and beverage revenue decreased \$603,000, or 15.4%, and \$342,000, or 4.8%, for the three and nine months ended September 30, 2023, respectively, compared to the same periods in 2022. The decrease in food and beverage revenues for the three and nine month periods is primarily due to Twin Cities Summer Jam not taking place in the third quarter of 2023 as it did during the third quarter of 2022.

Other Revenue:

Other revenue decreased \$1,280,000, or 35.5%, and \$1,791,000, or 27.3%, for the three and nine months ended September 30, 2023, respectively, compared to the same periods in 2022. The decreases are primarily due to the expiration of the SMSC agreement as funds received from the agreement were used and subsequently recorded in other revenues as well as being recorded as operating, primarily advertising and marketing, expenses.

Operating Expenses:

Total operating expenses decreased \$422,000, or 2.4%, and increased \$307,000, or 0.7%, for the three and nine months ended September 30, 2023, respectively, compared to the same periods in 2022. The following paragraphs provide further detail regarding certain operating expenses.

Purse expense decreased \$386,000, or 12.9%, and \$897,000, or 12.9%, for the three and nine months ended September 30, 2023, respectively, compared to the same periods in 2022. The decrease for the three months ended September 30, 2023 is primarily due to the decrease in pari-mutuel revenues while the decrease for the nine months ended September 30, 2023 is primarily due to decreases of both pari-mutuel and Casino revenues.

Salaries and benefits increased \$385,000, or 5.6%, and \$1,042,000, or 5.5%, for the three and nine months ended September 30, 2023, respectively, compared to the same periods in 2022. The increase is primarily due to an increase in our wage-rate structure for seasonal as well as year-round employees to attract and retain front-line workers. The Company also increased its 401(k) match percentage, effective January 1, 2023.

Cost of food and beverage sales decreased \$204,000, or 14.9%, and \$204,000, or 7.4%, for the three and nine months ended September 30, 2023, respectively, compared to the same periods in 2022. The decrease is primarily due to the decreased food and beverage revenue due to Twin Cities Summer Jam not taking place in 2023 as noted above.

Advertising and marketing costs decreased \$680,000, or 43.4%, and \$922,000, or 33.7%, for the three and nine months ended September 30, 2023, respectively, compared to the same periods in 2022. The decrease is attributed to the expiration of the Cooperative Marketing Agreement mentioned above in the other revenues section.

Professional and contracted services increased \$713,000, or 45.4%, and \$1,076,000, or 28.5%, for the three and nine months ended September 30, 2023, respectively, compared to the same periods in 2022. The increase in professional expense relates to long-term strategic growth initiatives being pursued as part of the execution on our five-year strategic plan focused on growing Casino revenue.

Other operating expenses decreased \$213,000, or 13.3%, and increased \$317,000, or 8.3%, for the three and nine months ended September 30, 2023, respectively, compared to the same periods in 2022. The decrease for the three months ended September 30, 2023 is primarily due to lower costs for promoter expenses related to our summer concert series. The increase for the nine months ended September 30, 2023 is primarily due to increased track maintenance costs, a settlement of a claim, and also the timing of miscellaneous repairs and maintenance year-over-year.

Other Income (Loss), Net:

Other loss, net, for the three months ended September 30, 2023 was \$137,000, an increase of \$140,000, compared to a net other loss of \$277,000 for the three months ended September 30, 2022. Other income, net, for the nine months ended September 30, 2023 was \$1,995,000, an increase of \$2,649,000, compared to a net other loss of \$653,000 for the nine months ended September 30, 2022. The increase for the nine months ended September 30, 2023 is primarily due to our share of insurance proceeds received on a claim by Doran Canterbury I. Also contributing to both the three and nine month increases was increased interest income due to the Company transferring available cash into certificates of deposit and money market funds as well as increasing interest rates related to our member loans to Doran Canterbury I and Doran Canterbury II.

During the 2023 second quarter, the Company recorded a gain on sale of land of \$6,490,000 as a result of the sale of approximately 37 acres of land to an affiliate of Swervo Development for approximately \$8,800,000 in total consideration.

The Company recorded a provision for income taxes of \$533,000 and \$1,210,000 for the three months ended September 30, 2023 and 2022, respectively. The Company recorded a provision for income taxes of \$3,709,000 and \$2,434,000 for the nine months ended September 30, 2023 and 2022, respectively. We record our quarterly provision for income taxes based on our estimated annual effective tax rate for the year. The decrease in our tax expense for the three months ended September 30, 2023 is primarily due to a decrease in income before taxes. Our effective tax rate was 31.9% and 28.7% for the three and nine months ended September 30, 2023, respectively. Our effective tax rate was 29.3% and 27.4% for the three and nine months ended September 30, 2022, respectively. The small fluctuations in the effective tax rates are primarily the result of discrete items that occurred during the three and nine months ended September 30, 2023.

The Company recorded net income of \$1,136,000 and \$9,199,000 for the three and nine months ended September 30, 2023, respectively. The Company recorded net income of \$2,921,000 and \$6,450,000 for the three and nine months ended September 30, 2022, respectively.

EBITDA

To supplement our financial statements, we also provide investors with information about our EBITDA and Adjusted EBITDA, each of which is a non-GAAP measure, which excludes certain items from net income, a GAAP measure. See the table below, which presents reconciliations of these measures to the GAAP equivalent financial measures. We define EBITDA as earnings before interest, income tax expense, and depreciation and amortization. We also compute Adjusted EBITDA, which reflects additional adjustments to Net Income to eliminate unusual or non-recurring items, as well as items relating to our real estate development operations and we believe the exclusion of these items allows for better comparability of our performance between periods and is useful in allowing greater transparency related to a significant measure used by management in its financial and operational decision-making. Adjusted EBITDA has economic substance because it is used by management as a performance measure to analyze the performance of our business, excluding the impact of our real estate segment, and provides a perspective on the current effects of operating decisions relating to our core, non-real estate business. For the three and nine months ended September 30, 2023, Adjusted EBITDA excluded depreciation relating to equity investments, gain on sale of land and disposal of assets, a gain on insurance proceeds related to the equity investment in Doran Canterbury I, as well as depreciation and amortization relating to equity investments, and interest expense related to equity investments. Neither EBITDA nor adjusted EBITDA is a measure of performance calculated in accordance with GAAP and should not be considered an alternative to, or more meaningful than, net income as an indicator of our operating performance. EBITDA is presented as a supplemental disclosure because we believe that, when considered with measures calculated in accordance with GAAP, EBITDA and Adjusted EBITDA provide a more complete understanding of our operating results before the impact of investing and financing transactions and income taxes, and it is a widely used measure of performance and a basis for valuation of companies in our industry. Moreover, other companies that provide EBITDA or Adjusted EBITDA information may calculate EBITDA or Adjusted EBITDA differently than we do.

The following table sets forth a reconciliation of net income, a GAAP financial measure, to EBITDA and to adjusted EBITDA (defined above) which are non-GAAP financial measures, for the three and nine months ended September 30, 2023 and 2022:

Summary of EBITDA Data

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
NET INCOME	\$ 1,136,299	\$ 2,921,120	\$ 9,199,331	\$ 6,450,102
Interest income, net	(536,904)	(222,671)	(1,433,353)	(620,811)
Income tax expense	533,000	1,209,777	3,709,000	2,434,078
Depreciation	831,379	747,267	2,308,272	2,234,790
EBITDA	1,963,774	4,655,493	13,783,250	10,498,159
Gain on disposal of assets	(19,265)	—	(19,265)	—
Gain on sale of land	—	—	(6,489,976)	(12,151)
Gain on insurance proceeds related to equity investments	—	—	(2,528,901)	—
Depreciation and amortization related to equity investments	438,011	445,181	1,313,986	1,340,856
Interest expense related to equity investments	467,571	240,418	1,292,627	625,401
ADJUSTED EBITDA	\$ 2,850,091	\$ 5,341,092	7,351,721	12,452,265

Adjusted EBITDA decreased \$2,491,000, or 46.6%, and \$5,101,000, or 41.0%, for the three and nine months ended September 30, 2023, respectively, compared to the same periods in 2022. The decrease in Adjusted EBITDA is primarily due to decreased Pari-mutuel and Casino revenues noted above. Furthermore, for the nine months ended September 30, 2023, Adjusted EBITDA was reduced by insurance proceeds received by the Company's equity investment related to an insurance claim by the Doran Canterbury I, LLC joint venture as well as the gain on sale of land to Swervo Development, which were not present in other periods. For the three and nine months ended September 30, 2023, Adjusted EBITDA as a percentage of net revenue was 14.8% and 15.0%, respectively. For the three and nine months ended September 30, 2022, Adjusted EBITDA as a percentage of net revenue was 24.0% and 23.2%, respectively.

Contingencies:

The Company continues to analyze the feasibility of various options related to the development of our underutilized land. The Company may incur substantial costs during the feasibility and predevelopment process, but the Company believes available funds are sufficient to cover the near-term costs. See Liquidity and Capital Resources for more information on liquidity and capital resource requirements.

Liquidity and Capital Resources:

The Company's primary source of liquidity and capital resources have been and are expected to be cash flow from operations and cash available under our revolving line of credit. The Company has a general credit and security agreement with a financial institution, which provides a revolving credit line up to \$10,000,000 and allows for letters of credit in the aggregate amount of up to \$2,000,000 to be issued under the credit agreement which matures January 31, 2024. The line of credit is collateralized by all receivables, inventory, equipment, and general intangibles of the Company. The line of credit also includes collateral in the form of a Mortgage, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents. As of September 30, 2023, the outstanding balance on the line of credit was \$0. The Company did not borrow on the revolving line of credit during the quarter ended September 30, 2023. As of September 30, 2023, the Company was in compliance with the financial covenants of the general credit and security agreement.

The Company's cash, cash equivalents, and restricted cash balance at September 30, 2023 was \$28,076,000 compared to \$16,106,000 as of December 31, 2022. The Company believes that unrestricted funds available in its cash accounts, amounts available under its revolving line of credit, along with funds generated from operations and future land sales, will be sufficient to satisfy its ongoing liquidity and capital resource requirements for regular operations, as well as its planned development expenses for at least the next twelve months. The Company intends to allocate substantially all of the net proceeds from the sale of the 37 acres of land to Bloomington Investments, LLC, an entity related to Swervo Development ("Swervo"), for total consideration of \$8,800,000, to the redevelopment of the horse stabling area, which serves its racing business, with new barns and a new dormitory complex. The Company may seek additional financing to complete the redevelopment of the horse stabling area. In August 2023, the Company received approval for the first phase of the barn relocation and redevelopment plan, which is expected to take approximately one year to complete. Furthermore, if the Company engages in additional significant real estate development, significant improvements to its facilities, the Racetrack or surrounding grounds, or strategic growth or diversification transactions, additional financing would more than likely be required and the Company may seek this additional financing through joint venture arrangements, through incurring debt, or through an equity financing, or a combination of any of these.

Operating Activities

Trends in our operating cash flows tend to follow trends in operating income but can be affected by changes in working capital, the timing of significant interest payments, and tax payments or refunds. Net cash provided by operating activities for the nine months ended September 30, 2023 was \$10,201,000, primarily as a result of the following: the Company reported net income of \$9,199,000, depreciation of \$2,308,000, deferred income taxes of \$776,000, and stock-based compensation and 401(k) match totaling \$1,043,000, offset by a gain from equity investment of \$562,000 and a gain on land sale of \$6,490,000. The Company experienced an increase in cash related to an employee retention credit receivable of \$6,103,000, offset by a decrease in amounts payable to horsepersons of \$768,000 and an increase in accounts receivable of \$1,002,000 for the nine months ended September 30, 2023.

Net cash provided by operating activities for the nine months ended September 30, 2022 was \$9,869,000, primarily as a result of the following: the Company reported net income of \$6,450,000, depreciation of \$2,235,000, a loss from equity investment of \$1,274,000, and stock-based compensation and 401(k) match totaling \$795,000. Primarily due to timing of our live racing season, the Company also experienced an increase in accounts payable of \$1,595,000 and an increase to payable to horsepersons of \$558,000, offset by a decrease in accounts receivable of \$1,499,000 and income taxes receivable and prepaid income taxes of \$1,287,000 for the nine months ended September 30, 2022.

Investing Activities

Net cash provided by investing activities for the nine months ended September 30, 2023 was \$2,895,000, primarily due to net proceeds received from the sale of land of \$8,337,000, offset by \$5,577,000 in additions to land, buildings, and equipment.

Net cash used in investing activities for the first nine months of 2022 was \$2,078,000, primarily due to \$2,663,000 in additions to land, buildings, equipment, and \$398,000 in equity investment contributions, which was somewhat offset by \$1,160,000 in net proceeds received from the sale of land .

Financing Activities

Net cash used in financing activities for the nine months ended September 30, 2023 was \$1,126,000, primarily due to cash dividends paid to shareholders and payments for taxes of equity awards. The Company declared a cash dividend of \$0.07 per share payable each quarter during the nine months ended September 30, 2023.

Net cash used in financing activities during the first nine months of 2022 was \$1,180,000, primarily due to cash dividends paid to shareholders and payments for taxes of equity awards. The Company declared a cash dividend of \$0.14 per share payable during the first quarter followed by a \$0.07 per share payable for the second and third quarters during the nine months ended September 30, 2022.

Critical Accounting Estimates:

The preparation of the Condensed Consolidated Financial Statements in accordance with GAAP requires us to make estimates and judgments that are subject to an inherent degree of uncertainty. The nature of the estimates and assumptions are material due to the levels of subjectivity and judgment necessary to account for highly uncertain factors or the susceptibility of such factors to change.

These accounting estimates are described in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the Company's Annual Report on Form 10-K for the year ended December 31, 2022. Management made no changes to the Company's critical accounting estimates during the quarter ended September 30, 2023. In applying its critical accounting estimates, management reassesses its estimates each reporting period based on available information. Changes in these estimates did not have a significant impact on earnings for the quarter ended September 30, 2023.

The development and selection of critical accounting estimates, and the related disclosures, have been reviewed with the Audit Committee of our Board of Directors. We believe the current assumptions and other considerations used to estimate amounts reflected in our Condensed Consolidated Financial Statements are appropriate. However, if actual experience differs from the assumptions and other considerations used in estimating amounts reflected in our Condensed Consolidated Financial Statements, the resulting changes could have a material adverse effect on our financial condition, results of operations and cash flows.

Estimate of the allowance for doubtful accounts - Property Tax Increment Financing "TIF" Receivable

As of September 30, 2023, the Company recorded a TIF receivable on its Consolidated Balance Sheet of approximately \$13,801,000, which represents \$11,305,000 of principal and \$2,496,000 of interest. The TIF receivable requires significant management estimates and judgement pertaining to whether an allowance for doubtful accounts is necessary. The TIF receivable was generated in connection with the Contract for Private Redevelopment, in which the City of Shakopee has agreed that a portion of the future tax increment revenue generated from the developed property around the Racetrack will be paid to the Company to reimburse it for expenses in constructing public infrastructure improvements.

The Company typically performs an annual collectability analysis of the TIF receivable in the fourth quarter of each year, or more frequently if indicators of potential uncollectability exist. The Company utilizes the assistance of a third party to assist with the projected tax increments. The quantitative analysis includes assumptions based on the market values of the completed development projects within Canterbury Commons, which derives the future projected tax increment revenue. The Company uses the analysis to determine if the future tax increment revenue will exceed the Company's development costs on infrastructure improvements. As a result of our analysis for the year ended December 31, 2022, management believes the TIF receivable will be fully collectible and no allowance related to this receivable is necessary. There were no indicators of potential uncollectability for the three and nine months ended September 30, 2023.

Cooperative Marketing Agreement:

On June 4, 2012, the Company entered into a Cooperative Marketing Agreement (the "CMA") with the SMSC. The primary purpose of the CMA was to increase purses paid during live horse racing at Canterbury Park's Racetrack in order to strengthen Minnesota's thoroughbred and quarter horse industry. Under the CMA, as amended, this was achieved through "Purse Enhancement Payments to Horsemen" paid directly to the MHBPA. These payments had no direct impact on the Company's consolidated financial statements or operations.

Under the CMA, as amended, SMSC also agreed to make "Marketing Payments" to the Company relating to joint marketing efforts for the mutual benefit of the Company and SMSC, including signage, joint promotions, player benefits, and events.

As noted above and affirmed in the Fifth Amendment, SMSC paid the required annual purse enhancement of \$7,380,000 and annual marketing payment of \$1,620,000 for 2022.

The amounts earned from the marketing payments were recorded as a component of other revenue and the related expenses were recorded as a component of advertising and marketing expense and depreciation in the Company's condensed consolidated statements of operations. For the three and nine months ended September 30, 2022, the Company recorded \$977,000 and \$1,764,000 in other revenue, incurred \$916,000 and \$1,603,000 in advertising and marketing expense, and incurred \$61,000 and \$161,000 in depreciation related to the SMSC marketing funds. The excess of amounts received over revenue is reflected as deferred revenue on the Company's consolidated balance sheets.

Under the CMA, the Company agreed for the term of the CMA that it would not promote or lobby the Minnesota legislature for expanded gambling authority and will support the SMSC's lobbying efforts against expanding gambling authority.

The CMA expired by its terms on December 31, 2022. Accordingly, for the three and nine months ended September 30, 2023, there were no purse enhancement payments or marketing payments under the CMA.

Redevelopment Agreement:

As mentioned above in Note 8 of Notes to Financial Statements, on August 10, 2018, the City of Shakopee, the City of Shakopee Economic Development Authority, and the Company entered into a Redevelopment Agreement in connection with a Tax Increment Financing District (“TIF District”) that the City had approved in April 2018. Under the Redevelopment Agreement, the Company has agreed to undertake a number of specific infrastructure improvements within the TIF District, including the development of public streets, utilities, sidewalks, and other public infrastructure and the City of Shakopee agreed that a portion of the tax revenue generated from the developed property will be paid to the Company to reimburse it for its expense in constructing these improvements. The Company expects to finance its improvements under the Redevelopment Agreement with funds from its current operating resources and existing credit facility and, potentially, third-party financing sources.

On January 25, 2022, the Company received the fully executed First Amendment to the Contract for Private Redevelopment among the Company, the City of Shakopee, and the Shakopee EDA, which is effective as of September 7, 2021. Under the First Amendment and as part of the authorized changes regarding the responsibilities of the Company and the City, improvements on Unbridled Avenue will be primarily constructed by the City of Shakopee. As a result, the total estimated cost of TIF eligible improvements to be borne by the Company was reduced by \$5,744,000 to an amount not to exceed \$17,592,881.

Forward-Looking Statements:

From time-to-time, in reports filed with the Securities and Exchange Commission, in press releases, and in other communications to shareholders or the investing public, we may make forward-looking statements concerning possible or anticipated future financial performance, prospective business activities or plans that are typically preceded by words such as “believes,” “expects,” “anticipates,” “intends” or similar expressions. For these forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in federal securities laws. Shareholders and the investing public should understand that these forward-looking statements are subject to risks and uncertainties that could affect our actual results and cause actual results to differ materially from those indicated in the forward-looking statements. These risks and uncertainties include, but are not limited to:

- Our business is sensitive to reductions in discretionary consumer spending as a result of downturns in the economy and other factors outside of our control.
- Because purse enhancement payments and marketing payments under our CMA with SMSC did not continue after December 31, 2022, we have experienced decreased revenue and profitability from live racing.
- We may not be able to attract a sufficient number of horses and trainers to achieve above average field sizes.
- We face significant competition, both directly from other racing and gaming operations and indirectly from other forms of entertainment and leisure time activities, which could have a material adverse effect on our operations.
- Nationally, the popularity of horse racing has declined
- A lack of confidence in the integrity of our core businesses could affect our ability to retain our customers and engage with new customers.
- Horse racing is an inherently dangerous sport and our racetrack is subject to personal injury litigation.
- Our business depends on using totalizator services.
- Inclement weather and other conditions may affect our ability to conduct live racing.

- Our business and operations have been, and may in the future, be adversely affected by epidemics, pandemics, outbreaks of disease, and other adverse public health developments, including COVID-19.
- We are subject to changes in the laws that govern our business, including the possibility of an increase in gaming taxes, which would increase our costs, and changes in other laws may adversely affect our ability to compete.
- We are subject to extensive regulation from gaming authorities that could adversely affect us.
- We rely on the efforts of our partner Doran for the development and profitable operation of our Triple Crown Residences at Canterbury Park joint venture.
- We rely on the efforts of our partner Greystone Construction for a new development project.
- We may not be successful in executing our real estate development strategy.
- We are obligated to make improvements in the TIF district and will be reimbursed only to the extent of future tax revenue.
- An increase in the minimum wage mandated under Federal or Minnesota law could have a material adverse effect on our operations and financial results.
- We may be adversely affected by the effects of inflation
- The payment and amount of future dividends is subject to Board of Director discretion and to various risks and uncertainties.
- Our information technology and other systems are subject to cyber security risk including misappropriation of customer information or other breaches of information security.
- We process, store, and use personal information and other data, which subjects us to governmental regulation and other legal obligations related to privacy, and our actual or perceived failure to comply with such obligations could harm our business.
- Other factors that are beyond our ability to control or predict.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 4: CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures:

The Company's President and Chief Executive Officer, Randall D. Sampson and Chief Financial Officer, Randy J. Dehmer, have reviewed the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based upon this review, these officers have concluded that the Company's disclosure controls and procedures are effective.

(b) Changes in Internal Control over Financial Reporting:

There have been no significant changes in our internal control over financial reporting (as defined in Rules 13a-15(f) under the Exchange Act) that occurred during our fiscal quarter ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II
OTHER INFORMATION**

Item 1. Legal Proceedings

Not Applicable.

Item 1A. Risk Factors

The most significant risk factors applicable to the Company are described in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2022. There have been no material changes from the risk factors previously disclosed.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not Applicable.

Item 3. Defaults upon Senior Securities

Not Applicable.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

During the three months ended September 30, 2023, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. **Exhibits**

- 31.1 [Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 \(rules 13a-14 and 15d-14 of the Exchange Act\).](#)
- 31.2 [Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 \(rules 13a-14 and 15d-14 of the Exchange Act\).](#)
- 32 [Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 \(18 U.S.C. 1350\).](#)
- 99.1 [Press Release dated November 9, 2023 announcing 2023 Third Quarter Results.](#)
- 101 The following financial information from Canterbury Park Holding Corporation's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023, formatted in Inline eXtensible Business Reporting Language XBRL: (i) Condensed Consolidated Balance Sheets as of September 30, 2023 and December 31, 2022, (ii) Condensed Consolidated Statements of Operations for the Three and Nine Months Ended September 30, 2023 and September 30, 2022, (iii) Condensed Consolidated Statements of Stockholders' Equity for the Three and Nine Months Ended September 30, 2023 and September 30, 2022, (iv) Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2023 and September 30, 2022, and (v) Notes to Financial Statements.
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Canterbury Park Holding Corporation

Dated: November 13, 2023

/s/ Randall D. Sampson
Randall D. Sampson
President and Chief Executive Officer (principal executive officer)

Dated: November 13, 2023

/s/ Randy J. Dehmer
Randy J. Dehmer
Chief Financial Officer (principal financial officer, principal accounting officer)



CANTERBURY PARK
2023 Meet Analysis



Totals Meet-to-Date

From:	5/18/23 - 9/16/23	5/18/22 - 9/17/22		
Statistic:	2023	2022	VAR	% Change
Race Days ¹	53	64	-11	-17%
Quarter Horse Races	39	73	-34	-47%
Thoroughbred Races	397	530	-133	-25%
Total Races	436	603	-167	-28%
Total Attendance	262,792	271,578	(8,786)	-3%

Handle:	2023	2022	VAR	% Change
Live On-Track	\$ 8,149,201	\$ 9,827,064	\$ (1,677,862)	-17%
Out-of-State	\$ 42,075,574	\$ 87,786,738	\$ (45,711,164)	-52%
All-Sources Live Racing	\$ 50,224,775	\$ 97,613,801	\$ (47,389,026)	-49%

Meet Averages

Statistic:	2023	2022	VAR	% Change
Daily Attendance²:	4,985	4,243	742	17%

Daily Handle:	2023	2022	VAR	% Change
Live On-Track ²	\$ 157,464	\$ 153,548	\$ 3,916	3%
Out-of-State ²	\$ 806,663	\$ 1,371,668	\$ (565,004)	-41%
All-Sources Live Racing	\$ 964,127	\$ 1,525,216	\$ (561,088)	-37%

Per Race Handle:	2023	2022	VAR	% Change
Live On-Track	\$ 18,691	\$ 16,297	\$ 2,394	15%
Out-of-State Handle	\$ 96,504	\$ 145,583	\$ (49,080)	-34%
All-Sources Live Racing	\$ 115,194	\$ 161,880	\$ (46,686)	-29%

Purses & Starters

Purses Paid Totals	2023	2022	VAR	% Change
Thoroughbred Purses Paid ¹	\$ 10,142,155	\$ 14,353,215	\$ (4,211,060)	-29%
Quarter Horse Purses Paid	\$ 872,092	\$ 1,682,592	\$ (810,500)	-48%
Total Purses Paid	\$ 11,014,247	\$ 16,035,807	\$ (5,021,560)	-31%

Purses Paid Averages	2023	2022	VAR	% Change
Purses Paid per Race Day ²	\$ 213,447	\$ 250,559	\$ (37,113)	-15%
Purses Paid per Starter	\$ 3,866	\$ 3,655	\$ 211	6%
Thoroughbred Purses Paid Per Race	\$ 25,547	\$ 27,082	\$ (1,535)	-6%
Quarter Horse Purses Paid Per Race	\$ 22,361	\$ 23,049	\$ (688)	-3%
All-Breed Purses Paid Per Race	\$ 25,262	\$ 26,593	\$ (1,331)	-5%

Starters & Field Statistics:	2023	2022	VAR	% Change
Unique Horses Starting at Canterbury Park	861	1,255	-394	-31%
Count of Horses Claimed at Canterbury Park	56	185	(129)	-70%
Value of Horses Claimed at Canterbury Park	\$ 604,750	\$ 1,928,750	\$ (1,324,000)	-69%
Average Claim Price	\$ 10,799	\$ 10,426	\$ 373	4%

Total Thoroughbred Starters	2,577	3,876	(1,299)	-34%
Average Thoroughbred Field Size	6.49	7.31	(0.82)	-11%

Total Quarter Horse Starters	272	511	-239	-47%
Average Quarter Horse Field Size	6.97	7.00	(0.03)	0%

Total Starters (All Breeds)	2,849	4,387	(1,538)	-35%
Average Field Size (All-Breeds)	6.53	7.28	(0.74)	-10%

Thoroughbred Dirt Races	215	324	-109	-34%
Thoroughbred Races Off Turf	14	18	-4	-22%
Total Thoroughbred Dirt Races	229	342	-113	-33%

Total Thoroughbred Turf Races	168	188	-20	-11%
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Footnotes:

- 1): Purses Paid Calculations include HBPA Admin Advances & Exclude MTA Contributions.
- 2): Per Day Calculations exclude partial days of racing.

Item 6 –

Action Items

A. New Business

c. 2024 Live Racing

Requests From Canterbury
Park Entertainment, LLC

ii. Televised Race Days



December 11, 2023

Mr. Kyle Gustafson
Executive Director
Minnesota Racing Commission
1100 Canterbury Road
Shakopee, MN 55379

RE: Canterbury Park 2024 Request for Televised Race Days and Commingled Simulcast Wagering on Televised Race Days

Canterbury Park Entertainment, LLC respectfully requests that its applications for the following be placed on the agenda for consideration at the December meeting of the Minnesota Racing Commission:

1. 2024 Televised Racing Days & Pari-Mutuel Pools (MRC 7872.0100 and MRC 7871.0010)
2. 2024 Commingled Simulcast Wagering on Televised Race Days (MRC 7871.0030)

Our televised dates request in 2024 includes 365 Televised Race Days (no simulcast racing on Christmas Day). As a result of our multi-breed agreement with North Metro Harness Initiative, Canterbury Park respectfully requests Televised Racing Days for Thoroughbred, Quarter Horse, Standardbred and Arabian racing.

Pursuant to MRC 7871.0090 Subp. 1, Canterbury Park will file individual track information with regard to each meet with the Commission as it becomes available.

Pursuant to MRC Rule 7872.0100, our request for Televised Race Days includes the following exhibits.

1. The specific tracks for which we are requesting Televised Race Days with specific dates and meet information to be provided as they become available and documented according to MRC 7871.0090 Subp.1 (Exhibit A)
2. The calendar of the 365 requested televised racing days (Exhibit B)

Your consideration is very much appreciated.

Sincerely,

Amber Carlisle
Racing Operations Manager
Canterbury Park Entertainment, LLC

Canterbury Park 2024 Thoroughbred, Quarter Horse & Arabian Track List

<p>Ajax Downs Ajax, Ontario, Canada</p> <p>Australia A, B, C, D Australian Racing</p> <p>Arizona Downs Prescott, AZ</p> <p>Assiniboia Downs Winnipeg, Manitoba, Canada</p> <p>Alameda County Fair (Pleasanton) Pleasanton, CA</p> <p>Downs at Albuquerque Albuquerque, NM</p> <p>Arapahoe Park Aurora, CO</p> <p>Ascot Race Course Ascot, United Kingdom</p> <p>Aqueduct (NYRA) New York City, NY</p> <p>The Big Fresno Fair (Fresno) Fresno, CA</p> <p>Belmont Park (NYRA) New York City, NY</p> <p>Belterra Park Cincinnati, OH</p> <p>California State Fair (Sacramento) Sacramento, CA</p> <p>Century Mile Edmonton, Alberta, Canada</p> <p>Charles Town Charlestown, WV</p> <p>Churchill Downs Louisville, KY</p> <p>Colonial Downs New Kent County, VA</p> <p>Columbus Ag Park Columbus, NE</p> <p>Del Mar Del Mar, CA</p> <p>Delaware Park Wilmington, DE</p> <p>Delta Downs Vinton, LA</p> <p>Dubai Racing (Meydan Race Course) Dubai, UAE</p> <p>Ellis Park Henderson, KY</p> <p>Emerald Downs Seattle, WA</p> <p>Evangeline Downs Lafayette, LA</p> <p>Fair Grounds New Orleans, LA</p> <p>Fairmount Park Collinsville, IL</p>	<p>Fair Meadows Tulsa, OK</p> <p>Far Hills Race Meeting Far Hills, NJ</p> <p>Finger Lakes Farmington, NY</p> <p>Fonner Park Grand Island, NE</p> <p>Fort Erie Racetrack Fort Erie, Ontario, Canada</p> <p>Golden Gate Fields San Francisco, CA</p> <p>Grants Pass Downs Grants Pass, OR</p> <p>Gulfstream Park Hallandale, FL</p> <p>Hastings Race Course Vancouver, British Columbia, Canada</p> <p>Hawthorne Race Course Chicago, IL</p> <p>Horsemen's Park Omaha, NE</p> <p>Horseshoe Indianapolis Shelbyville, IN</p> <p>Humboldt County Fair (Ferndale) Ferndale, CA</p> <p>Japan Racing Association Japan Racing</p> <p>Keeneland Lexington, KY</p> <p>Kentucky Derby Future Wagers Louisville, KY</p> <p>Kentucky Downs Franklin, KY</p> <p>Laurel Park Laurel, MD</p> <p>Lincoln Race Course Lincoln, NE</p> <p>Lone Star Park Grand Prairie, TX</p> <p>Longchamp & Chantilly Race Course Paris, France</p> <p>Los Alamitos Race Course Cypress, CA</p> <p>Louisiana Downs Bossier City, LA</p> <p>Mahoning Valley Youngstown, OH</p> <p>The Meadowlands East Rutherford, NJ</p> <p>Monmouth Park Oceanport, NJ</p>	<p>Mountaineer Park Chester, WV</p> <p>Oaklawn Park Hot Springs, AR</p> <p>Penn National Grantville, PA</p> <p>Philadelphia Park (Parx) Philadelphia, PA</p> <p>Pimlico Baltimore, MD</p> <p>Prairie Meadows Altoona, IA</p> <p>Presque Isle Downs Erie, PA</p> <p>Remington Park Oklahoma City, OK</p> <p>Retama Park San Antonio, TX</p> <p>Rillito Park Tucson, AZ</p> <p>Ruidoso Downs Ruidoso, NM</p> <p>Sam Houston Race Park Houston, TX</p> <p>San Joaquin Fair (Stockton) Stockton, CA</p> <p>Santa Anita Park Arcadia, CA</p> <p>Saratoga (NYRA) Saratoga Springs, NY</p> <p>Jockey Club of Saudi Arabia Riyadh, Saudi Arabia</p> <p>SIS / Racing Victoria (Australia) Caulfield, Victoria, Australia</p> <p>Sun Ray Park Farmington, NM</p> <p>Tampa Bay Downs Oldsmar, FL</p> <p>Thistledown Cleveland, OH</p> <p>Timonium Racetrack Timonium, MD</p> <p>Turf Paradise Phoenix, AZ</p> <p>Turfway Park Florence, KY</p> <p>Will Rogers Downs Claremore, OK</p> <p>Woodbine Toronto, Ontario, Canada</p> <p>Zia Park Hobbs, NM</p>
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Canterbury Park 2024 Standardbred Track List

Bangor Raceway Bangor, ME	Hoosier Park Anderson, IN	Rideau Carlton Raceway Cardinal, Ontario, CA
Buffalo Raceway Hamburg, NY	Miami Valley Gaming Lebanon, OH	Rosecroft Raceway Ft. Washington, MD
Capitol Racing (Cal Expo) Sacramento, CA	The Meadows Meadow Lands, PA	Running Aces Harness Park Columbus, MN
Century Downs Calgary, Alberta	The Meadowlands East Rutherford, NJ	Saratoga Harness Raceway Saratoga, NY
Chester Downs (Harrah's Philly) Chester, PA	Mohawk Raceway Campbellville, Ontario, Canada	Scarborough Downs Scarborough, ME
Dayton Raceway Toledo, OH	Monticello Raceway Monticello, NY	Scioto Downs Columbus, OH
Delaware County Fair Delaware, OH	Northfield Park Northfield, OH	The Red Mile Lexington, KY
Dover Downs Dover, DE	Northlands Park Edmonton, Alberta, CA	Tioga Downs Nichols, NY
Flamboro Downs Dundas, Ontario, CA	Northville Downs Northville, MI	Vernon Downs Vernon, NY
Fraser Downs Surrey, BC, CA	Ocean Downs Berlin, MD	Western Fair Raceway London, Ontario, CA
Freehold Raceway Freehold, NJ	Plainridge Racecourse Plainville, ME	Woodbine Harness Toronto, CA
Grand River Raceway Ontario, CA	Pocono Downs Wilkes Barre, PA	Yonkers Raceway Yonkers, NY
Harrington Raceway Harrington, DE	Pompano Park Pompano Beach, FL	
Hawthorne Race Course Chicago, IL	Red Shores at Charlottetown Driving Park Charlottetown, PEI	

2024 Televised Dates



January						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29		

March						
Su	Mo	Tu	We	Th	Fr	Sa
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

May						
Su	Mo	Tu	We	Th	Fr	Sa
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5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

June						
Su	Mo	Tu	We	Th	Fr	Sa
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July						
Su	Mo	Tu	We	Th	Fr	Sa
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7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August						
Su	Mo	Tu	We	Th	Fr	Sa
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September						
Su	Mo	Tu	We	Th	Fr	Sa
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Federal Holidays 2024

Jan 1	New Year's Day	May 27	Memorial Day	Sep 2	Labor Day	Nov 28	Thanksgiving Day
Jan 15	Martin Luther King Day	Jun 19	Juneteenth	Oct 14	Columbus Day	Dec 25	Christmas Day
Feb 19	Presidents' Day	Jul 4	Independence Day	Nov 11	Veterans Day		

Item 6 –

Action Items

A. New Business

c. 2024 Live Racing

Requests From Canterbury

Park Entertainment, LLC

iii. Racing Officials



December 11, 2023

Mr. Kyle Gustafson
Executive Director
Minnesota Racing Commission
1100 Canterbury Road
Shakopee, MN 55379

RE: 2024 Full Year Racing Official Approval

Pursuant to MRC Rule 7877.0110, Subp. 4, Racing Officials, Canterbury Park Entertainment, LLC requests Racing Commission approval of the following officials for its 2024 Racing Seasons:

General Manager	John Groen
Director of Security	Bryan Lingen
Mutuels Manager	Tammi Bennett
Assistant Racing Secretary	Amber Carlisle

John Groen joined Canterbury Park in 2003 as the Grassroots Coordinator for Canterbury Park's racino effort at the Capital. In his current role as General Manager and Sr. Vice President of Strategy, John oversees a number of departments for Canterbury Park, including events & entertainment, food and beverage, corporate partnerships, catering, audio-visual, facilities, mutuels and racing operations, as well as being involved in long-range planning for the organization. Mr. Groen's resume is available in Exhibit A.

Bryan has served in this position previously at Canterbury Park. Mr. Lingen is Canterbury Park's current Director of Risk Management & Compliance and will be serving his fourth season as the Director of Security.

Tammi Bennett has been Canterbury Park's Mutuels Manager since 2021. Ms. Bennett has been with Canterbury Park and Downs for over 35 years where she began as a Mutuel Teller.

Amber Carlisle has been at Canterbury Park since 2014 and has previously served as Racing Operations Manager.

Please let us know should you require any additional information about any of these individuals.

Sincerely,

Amber Carlisle
Racing Operations Manager
Canterbury Park Entertainment, LLC

John A. Groen

Accomplished Senior Racing and Gaming Executive with 20+ years' experience at Canterbury Park leading communication and operations areas to drive business results and enhance corporate reputation.

Skillful communicator with broad ranging written and verbal abilities spanning mediums and tones from corporate to creative. Earns respect and loyalty among team members through engaged leadership style that promotes collaboration, innovation and ownership. Creates culture of continual improvement through insightful questioning and ongoing refinement of initiatives. Strong ability to think both strategically and tactically, and lead from concept to implementation.

Life-long fan of horse racing and demonstrated commitment to Canterbury Park's legacy of being stewards of the racing industry.

Professional Experience

Canterbury Park, Shakopee, MN

GM & SVP of Strategy	Oct. 2022 - Present
SVP of Strategy & Assistant GM	June 2021 – Sept. 2022
Vice President of Marketing	Nov. 2015 – Present
Senior Director of Marketing	Dec. 2013 – Nov. 2015
Director of Marketing	March 2012 – Dec. 2013
Senior Marketing Manager	Sept. 2009 – March 2012
Advertising & Public Affairs Manager	Sept. 2005 – Sept. 2009
Community Development Manager	Jan. 2004 – Sept. 2005
Racino Grassroots Coordinator	Jan. 2003 – Dec. 2003

During 20+ years with Canterbury Park, continually earned new opportunities to expand leadership and responsibilities. Currently provides direct oversight of entertainment and events, food and beverage, facilities, mutuels, audio-visual, partnership and catering sales, and guest services for a company that attracts more than 1M annual visitors. Long-time advisor to President/CEO on all matters, including strategic planning, racing, employee engagement, capital investment priorities, property development and political initiatives.

Key Accomplishments & Leadership

- Chaired the COVID Leadership team tasked with the development and implementation of new policies allowing the Company to safely reopen for our team and guests during the pandemic.
- Responsible for creating top 10 all-time live racing attendance days in company history.
- Developed and drafted new Canterbury Park mission, vision and values statements.

- Oversaw record departmental revenue while leading corporate partnerships, catering, and special events.
- Managed implementation of \$83M corporate partnership with Mystic Lake Casino Hotel to grow attendance, improve guest experience and enhance brand position of both properties.
- Led Canterbury Park’s 2023-2027 Strategic Planning process and creation of long-term objectives and growth strategies.
- Provide ongoing leadership and oversight for departments and functional areas throughout Canterbury Park including entertainment and events, food and beverage, facilities, mutuels, audio-visual, partnership and catering sales, and guest services with 10 direct reports overseeing more than 250 team members.
- Concepted and implemented changes to admissions policy directly leading to a 60% increase in live racing admission to more than \$1M annually.
- Spearheaded cause-related marketing initiatives leading to the development of the Canterbury Park Minnesota Fund charitable program and membership in the Minnesota Keystone Program.

Minnesota House of Representatives, St. Paul, MN

Committee Legislative Assistant, Jobs & Economic Development **Jan. 2001 – Jan. 2003**

- Aided legislative members and oversaw Jobs & Economic Development Finance Committee needs.

Weber Shandwick, Minneapolis, MN

Public Affairs Intern **Summer 2000**

- Supported public affairs based clients with message design, policy development and media outreach.

Iowa State Athletic Media Relations Department, Ames, IA

Assistant Men’s Basketball Contact **Jan. 1998 - May 2000**

- Produced All-American campaign materials, designed game programs and assisted broadcast talent.

Education

Iowa State University, Ames, IA **Graduate Dec. 2000**

Bachelor of Arts with Distinction - Journalism and Mass Communication/Public Relations
 Bachelor of Arts with Distinction - Political Science

LEADERSHIP DEVELOPMENT

Think Great Leadership Link, Shakopee, MN **Completed Dec. 2019**

Leadership 2.0, Shakopee, MN **Completed Oct. 2021**

COMMUNITY BOARDS

Shakopee Chamber of Commerce Board of Directors **2016 - 2021**

Hospitality Minnesota Board of Directors **Current**

Item 6 – Action Items

A. New Business

- d. Approval of Minnesota
Quarter Horse Breeders'
Fund Advisory Board
Members

Recommendations for Quarter Horse Breeders' Fund Advisory Committee:

Cynthia Besser

Amber Carlisle

Bill Geditz Jr

Kenneth Quade

Corey Wilmes

Item 6 –

Action Items

A. New Business

- e. Extension of ADW Source
Market Fee Agreement --
eBet

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

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Pages 56-62 have been
omitted under 2020
Minnesota Statutes Chapter
13D.05

Item 6 –
Action Items
A. New Business
g. Approval of 2024
Legislative Proposal

Proposed Rule Changes and Addition

September 2023

7869.0100 DEFINITIONS

Subp. 49a. Pylons

Poles marking the inner surface of the racetrack. The poles are white with the top 4 inches a darker color.

Subp. 51a. Racing day.

"Racing day" means a day assigned by the commission on which racing is conducted and shall include no fewer than ~~eight~~ **seven** live races. If environmental conditions, a power or technology failure, or a shortage of horses forces the cancellation of races to the extent that fewer than ~~eight~~ **seven** races can be held in a single day, the day is still considered a racing day as long as the canceled races are added to one or more subsequent racing cards held within 30 days of the cancellation. For purposes of this subpart, "shortage of horses" means that one or more proposed races for the day were unable to generate at least a five-horse field and therefore could not be carded. No more than 14 live races shall be conducted in a single day unless approved by the stewards and the executive director.

7873.0188 Subp. 7

Restrictions on superfecta races. In no event shall superfecta wagering be allowed with fewer than **five** ~~six~~ betting interests. If for any reason superfecta wagering is canceled, all superfecta wagers must be refunded.

7877.0170 DUTIES AND RESPONSIBILITIES OF CLASS C LICENSEES

Subp. 9. Veterinarians

L. The commission shall report any rulings or violations involving a veterinarian to the Minnesota Board of Veterinary Medicine and initiate a complaint with the Minnesota Board of Veterinary Medicine against a veterinarian **provisionally suspended by the Horseracing Integrity Welfare Unit and after all the appeals have been exhausted** or determined to have acquired or administered a Class 1 substance contained in the Association of Racing Commissioners International (ARCI) Uniform Classification Guidelines for Foreign Substances and Recommended Penalty Rule or the Horseracing Integrity Welfare Unit list of prohibited substances.

O. Veterinarians and veterinary assistants must sign in and out on a form prescribed by the commission at the stable gate each time the veterinarian and veterinary assistant enters or leaves the grounds of the racetrack.

Subp. 9a. Veterinary assistants

B. Veterinary assistants shall not:

- (1) diagnose disease, lameness, or illness;
- (2) provide a prognosis;
- (3) prescribe any treatments, drugs, medications, or appliances;
- (4) dispense, compound, or mix drugs or medications;
- (5) perform surgery;
- (6) draw blood;
- (7) place catheters, needles, swabs, or tubes of any kind in any body part of the horse;
- (8) apply splints, slings, or tourniquets;
- (9) administer injectable medications including rabies vaccine; ~~or~~
- (10) sign the veterinarian's daily log; **or**
- (11) have contact with an entered horse within 24 hours of the race in which the horse was entered

Subp. 9b. Equine masseuse.

The following shall apply to an equine masseuse licensed by the commission.

A. An individual licensed as an equine masseuse shall not:

- (1) diagnose disease, lameness, or illness;
- (2) provide a prognosis;
- (3) prescribe any treatments, drugs, medications, or appliances or administer medications;
- (4) dispense, compound, or mix drugs or medications;
- (5) perform surgery;
- (6) draw blood;
- (7) place catheters, needles, swabs, or tubes of any kind in any body part of the horse;
- (8) apply splints, slings, or tourniquets; ~~or~~
- (9) administer injectable medications; **or**
- (10) have contact with an entered horse within 24 hours of the race in which the horse was entered.

7877.0175 DUTIES AND RESPONSIBILITIES OF RACING OFFICIALS.

Subp 8. Commission Veterinarians must be licensed and in good standing with the Board of Veterinary Medicine.

Subp. 8b. Veterinarian's list.

A. A commission veterinarian shall maintain a list of horses that:

- (1) are scratched because of illness, injury, or unsoundness;
- (2) are pulled up because of lameness or other injury during a race;
- (3) are bleeders, pursuant to part [7890.0140](#), subpart 1;
- (4) test positive for a prohibited substance or medication overage;
- (5) have received a medication or treatment invoking a mandatory stand-down time;
- (6) are Thoroughbred horses that have received an intraarticular injection;
- (~~6~~7) are barred from racing for the life of the horse;
- (~~7~~8) have been treated with shock wave therapy; and
- (~~8~~9) are otherwise considered unfit to race in the professional judgment of a commission veterinarian.

7883.0100 ENTRIES AND SUBSCRIPTIONS

Subpart 6, Prohibited entries

K. enter a horse that, as of January 1 of the calendar year, is a six-year-old or older maiden or a horse that has not started in ~~two~~ ~~three~~ or more years.

L. Enter a horse where all requirements to compete in the entered race are not completed. This includes HISA registration for Thoroughbreds.

Subpart 8A Changing of Races.

Subpart 8B Cancellation and postponement.

In the case of questionable racetrack or racing conditions due to weather, the HISA Safety Director shall call a meeting of the HISA Safety and Welfare Committee consisting of the HISA Safety Director, Chief Steward, Chief Commission Veterinarian, Track Veterinarian, Senior Director of Racing, Track Superintendent, and Horsemen's Representative to determine if cancellation or postponement of races is necessary.

Subpart 9. **Closing of entries.** When an hour for closing is designated, entries and declarations for sweepstakes may not be considered if received afterwards. If an hour is not designated, entries and declarations may be mailed or ~~telegraphed~~ ~~tele~~ ~~facsimiled~~ up to midnight of the day of closing, provided they are received in time for compliance with every other condition of the race.

Subpart 10. **Loss of entries.** A person who alleges loss of an entry or declaration in a stakes race must provide satisfactory proof that it was mailed or ~~telegraphed~~ ~~tele~~ ~~facsimiled~~ within a reasonable time before the designated time for closing or it shall not be considered received.

Subpart 16. Workout requirements.

C. A first-time starter less than four years of age must have gate approval and a minimum of two timed workouts, one of which must be out of the gate, no more than 60 days prior to and **no less than 48 hours before the race in which it is entered.**

D. A first-time starter four years of age or older must have gate approval **no more than 60 days prior to the race in which it is entered,** and a minimum of three timed workouts, at least one of which must be out of the gate **no more than 60 days prior to the race in which it is entered,** and one of which must be an official timed workout observed and approved by a commission veterinarian, no more than 45 days prior to the race for which the horse is entered, **and no less than 48 hours before the race in which it is entered.**

Subpart 17. Refused entries. The nominations and entries of any person or transfer of any nomination or entry may be refused by the association. ~~for any reasonable cause.~~

7883.0120 SCRATCHES AND NONSTARTERS.

Subpart 1a. Stewards must approve scratching horses.

A. No horse may be scratched from a race without permission of **the** stewards.

Subpart 1c. Drawing horses into a race from also-eligible list.

7883.0140 CLAIMING RACES.

Subpart 7. Invalid claims.

B. the claimant does not have at least the amount of the claim and any applicable tax **or fee** on deposit or credited with the horsepersons' bookkeeper.

7883.0160 POST TO FINISH

Subpart 14. Horse becomes disabled or otherwise unable to finish.

E. The stewards shall be notified after euthanasia has been performed.

7884.0120 ELIGIBILITY AND ENTERING

7884.0125 ENTERING AND DRAWING OF HORSES AT CLASS D FACILITIES.

The entering and drawing of horses at Class D licensed facilities shall be governed by the following:

K. At the time of entry all requirements to compete in the entered race must be completed.

7884.0190 QUALIFYING RACES.

Subp. 2

~~F. A horse adding or removing hobbles regardless of gait. However, if a horse that previously qualified with hobbles fails to qualify without hobbles, the horse shall remain qualified to race with hobbles. If a horse previously qualified without hobbles and fails to qualify with hobbles, the horse shall remain qualified to race without hobbles.~~

7884.0240 POST TIME AND STARTING

Subp. 8. Determination of a fair start.

- A. A fair start pole shall be erected at a point before the start that is clearly identifiable. The pole shall be distinctive in color in relation to existing pylons and at least two feet above the existing pylons.
- B. If a horse has not reached the fair start pole when the horses are released at the starting point by the starter, the Judges shall cause the inquiry sign to be displayed immediately and request that any money wagered on that horse be refunded.
- C. The determination of a fair start is signified by the word "go" announced by the starter at the starting point. The starting point is a point that shall be marked on the inside rail at a distance of not less than 200 feet from the first turn.

Subp. 10. Helmets and safety vest to be worn.

No person shall ride ~~or drive~~ a horse on the racing track surface without a properly fastened protective riding helmet and safety vest.

7884.0260 DRIVING RULES

Subp. 7 Use of stirrups.

After the word "go" is given, barring mishap, both of the driver's feet must be kept in or in contact with the stirrups, posts, or pegs until the race has been completed. **At no time during the race should the driver's foot or feet contact any part of the horse's body.** Notwithstanding this provision, a driver may use his or her feet as necessary to remove a horse's earplugs.

7891.0120 MORTALITY REVIEW COMMITTEE.

Subpart 1. Committee.

The ~~chief steward~~ **HISA Safety Director** ~~or designee~~ shall convene and chair a mortality review committee for the purpose of gathering data surrounding the death of each racehorse occurring during racing or training at a licensed racetrack. The committee shall consist of the following:

- A. the chief steward or a designee;
- B. the **chief** commission veterinarian or a designee;
- C. **the track veterinarian or commission designee;**

- D. the trainer or assistant trainer of the deceased horse;
- E. the jockey, exercise rider, or driver of the deceased horse;
- F. the attending veterinarian;
- G. the racetrack's director of racing or a designee;
- H. the track superintendent;
- I. the horsemen's representative; and
- J. any other person the ~~chief steward or designee~~ **HISA Safety Director** determines is necessary to adequately examine the death.

7897.0100 PROHIBITED ACTS

Subp. 10. Financial responsibility.

No licensee shall willfully or deliberately refuse to pay any money when due for any service, supplies, or fees connected with his or her activities as a licensee, nor shall he or she falsely deny any such amount due or the validity of the claim therefore with the purpose of hindering or defrauding the person to whom the indebtedness is due.

§

- A. All financial responsibility complaints against a licensee shall be made in writing, presenting facts sufficient to enable the stewards to determine that the claim is meritorious and is directly related to the licensee's racing activities and that the debt became due within the last two years.
- B. The commission ~~shall~~ honor all horse racing related financial complaints that go through the civil courts whereby a civil judgment is presented.

7897.0100 PROHIBITED ACTS

Subp. 25. Unless prescribed for a specific with horse with documented hypothyroidism (MRC rule 7890.0110, subp 7b) and approved by the Chief Commission Veterinarian, the possession of thyroid powder, tablets, or other any form of thyroid supplementation on the grounds of the racetrack is prohibited.

Item 7-

Status Reports

a. Canterbury Park

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

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CONTAINS NON-PUBLIC DATA

Pages 69-71 have been
omitted under 2020
Minnesota Statutes Chapter
13D.05

Item 7-

Status Reports

b. Running Aces

Casino, Hotel, and

Racetrack

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

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CONTAINS NON-PUBLIC DATA

Pages 72-74 have been
omitted under 2020
Minnesota Statutes Chapter
13D.05

Item 8 –

Staff Reports

a. End of Season HISA
Report – Dr. Hovda

Item 9 - Executive Directors Report

- a. HISA Update
- b. Rulemaking Update
- c. Licensing Report
- d. Personal Update
- e. ADW Report
- f. Contract Approvals

Item 9 –
c. Licensing Report

Minnesota Racing Commission

November 2023 Licensing Report

Class C Applications Processed at Canterbury Park: **260**

Class C Applications Processed at Running Aces: **218**

Class C Large Racing/Gaming Vendors: **2**

Class C Small Racing/Gaming Vendors: **1**

Class C Non-racing/Gaming Vendors: **2**

Class C Licensing Fees for November: **\$17,160**

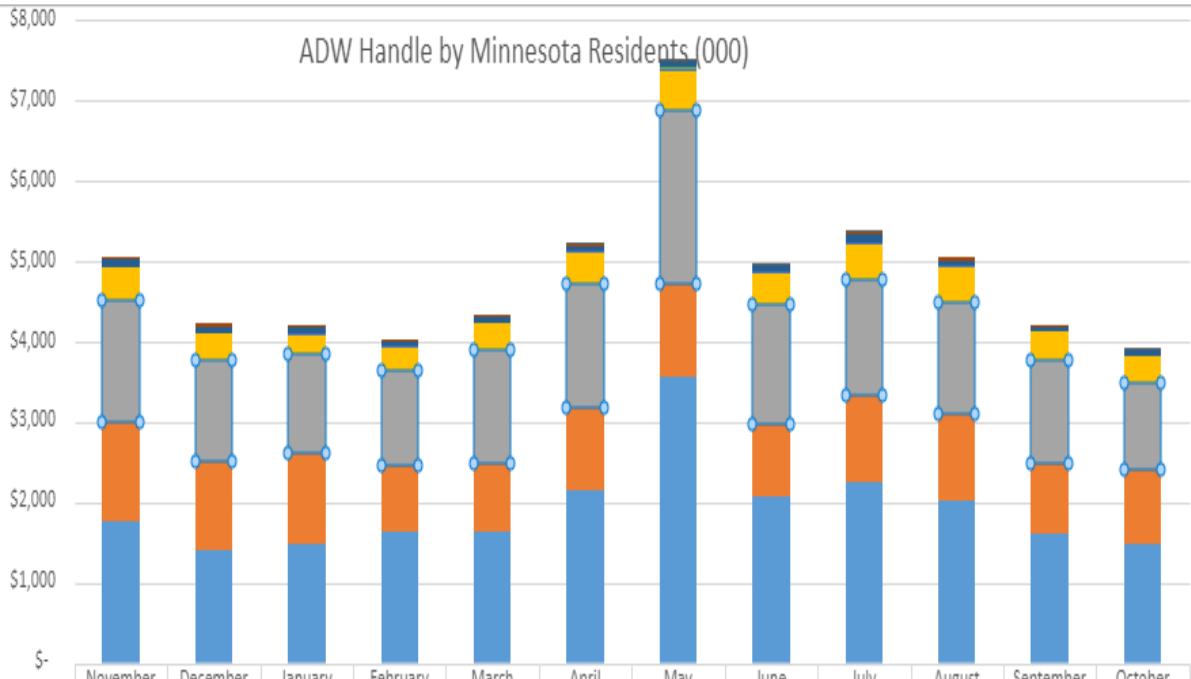
Fingerprint Fees for November: **\$2,300**

(Fingerprint fees are forwarded to Public Safety for processing reports)

Fines Collected during 2023 Racing Season: **\$19,225**

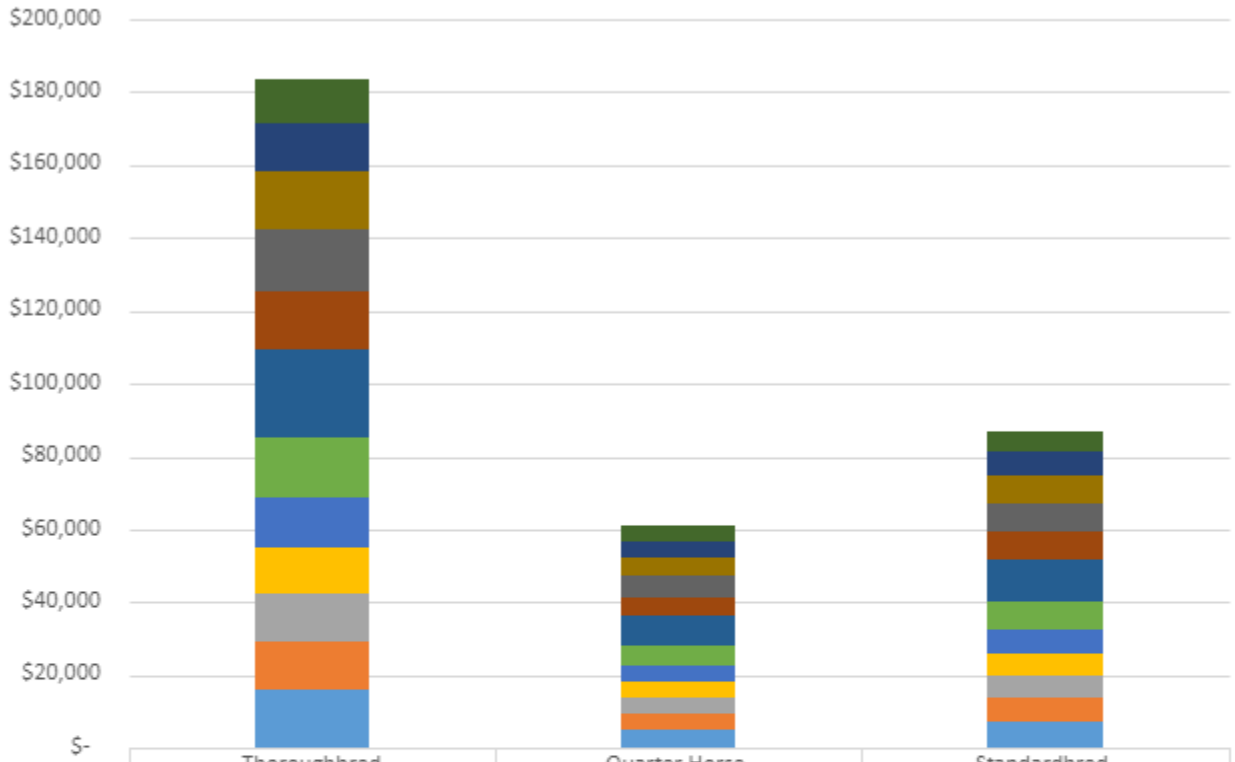
Item 9-
e.ADW Report

ADW Handle by Minnesota Residents (000)



	November	December	January	February	March	April	May	June	July	August	September	October
■ Premier Turf Club						\$5	\$16	\$6	\$1	\$-	\$-	\$1
■ Horse Tourneys	\$25	\$37	\$28	\$13	\$13	\$25	\$13	\$13	\$30	\$31	\$13	\$16
■ Lien Games	\$103	\$84	\$68	\$51	\$62	\$59	\$89	\$78	\$109	\$55	\$47	\$73
■ WatchandWager.com LLC	\$3	\$3	\$7	\$5	\$6	\$9	\$18	\$4	\$5	\$3	\$2	\$7
■ eBet Technologies	\$2	\$2	\$9	\$20	\$14	\$21	\$11	\$9	\$16	\$26	\$6	\$3
■ NYRA Bets (NewCo Ventures)	\$418	\$333	\$228	\$305	\$332	\$387	\$503	\$391	\$424	\$430	\$350	\$314
■ TVG (ODS Tech)	\$1,497	\$1,243	\$1,236	\$1,178	\$1,402	\$1,531	\$2,144	\$1,484	\$1,461	\$1,405	\$1,286	\$1,098
■ Xpressbet, LLC	\$1,248.00	\$1,109.00	\$1,131.00	\$806.00	\$839.00	\$1,029.00	\$1,175.00	\$903.00	\$1,075.00	\$1,083.00	\$883.00	\$909.00
■ Twinspires.com	\$1,759	\$1,407	\$1,489	\$1,642	\$1,645	\$2,151	\$3,554	\$2,078	\$2,246	\$2,008	\$1,596	\$1,486

Incremental Breeders Awards via ADW



	Thoroughbred	Quarter Horse	Standardbred
October-23	\$12,378	\$4,117	\$5,870
September-23	\$13,240	\$4,403	\$6,279
August-23	\$15,968	\$5,311	\$7,573
July-23	\$17,004	\$5,655	\$8,064
June-23	\$15,766	\$5,244	\$7,477
May-23	\$23,859	\$7,935	\$11,315
April-23	\$16,506	\$5,490	\$7,828
March-23	\$13,682	\$4,550	\$6,472
February-23	\$12,768	\$4,247	\$6,055
January-23	\$13,243	\$4,405	\$6,281
December-22	\$13,307	\$4,426	\$6,311
November-22	\$15,994	\$5,319	\$7,585

■ November-22
 ■ December-22
 ■ January-23
 ■ February-23
 ■ March-23
 ■ April-23
■ May-23
 ■ June-23
 ■ July-23
 ■ August-23
 ■ September-23
 ■ October-23

Item 12

Future Meetings Proposed Dates and Location

CANTERBURY PARK LOCATION
1100 CANTERBURY ROAD, STE. 100
SHAKOPEE, MN 55379
TELEPHONE: 952-496-7950
FAX: 952-496-7954
WWW.MRC.STATE.MN.US



RUNNING ACES LOCATION
15201 ZURICH STREET, STE. 212
COLUMBUS, MN 55025-7908
TELEPHONE: 651-925-3951
FAX: 651-925-3953
WWW.MRC.STATE.MN.US

Minnesota Racing Commission Proposed 2024 Meeting Dates:

Thursday January 25th

Thursday February 15th

Thursday March 21st

Thursday April 18th

Monday, May 20th

Monday June 17th

Monday July 15th

Monday August 19th

Monday September 16th

Thursday October 17th

Thursday November 21st

Thursday December 19th