

**Minnesota Racing Commission
Meeting**

Thursday, December 19, 2024

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**Full Commission Meeting
Thursday, December 19, 2024 – 4:00 p.m.
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 21, 2024
- 5) 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. 2025 Live Racing Requests from Canterbury Park Entertainment, LLC
 - i. Live Race Day Application
 - ii. Televised Race Days Request
 - iii. Racing Officials
- 6) Status Reports
 - a. Canterbury Park Entertainment
 - b. Running Aces Casino, Hotel, and Racetrack
- 7) Executive Director's Report
 - a. Contract Approvals
 - b. HISA/HIWU Update
 - c. Rulemaking Update
 - d. Personnel Update
 - e. ADW Report
 - f. Licensing Report
 - g. Other

- 8) MQHRA/MHRI/MNHBPA Reports
- 9) Tribute to Minnesota Horsepersons
- 10) Future Meetings
 Proposed Dates and Location
- 11) Adjourn

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Item 4 –
Minutes from
Commission Meeting
November 21, 2024

Full Commission Meeting

Thursday, November 21, 2024 – 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 4:00 p.m.

Roll Call:

Agenda Item 2 – Roll Call

Present – Chair McArdle, Commissioners Benjamin, Goodman, Johnson, Koob. A quorum was acknowledged. Commissioner Colombo arrived at 4:14.

Other participants – Kyle Gustafson (Executive Director, Minnesota Racing Commission), E. Joseph Newton (General Counsel, Minnesota Racing Commission), Randy Sampson (President/CEO, Canterbury Park Entertainment), Aaron Bedessem, (Director of Marketing, Running Aces Casino, Hotel and Racetrack), 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

Commissioner Johnson motioned to approve the agenda; Second by Commissioner Koob; Motion passed.

Approval of Minutes:

Agenda Item 4 – Approval of Minutes

Commissioner Johnson motioned to approve the October 17, 2024, minutes; Second by Commissioner Koob. Motion passed.

Agenda Item 5 – Committee Reports

A. Finance Committee Report

Commissioner Goodman spoke on the New Game considered Double Down Madness. Staff did recommend approval and the Committee also moved to approve recommending approval to the full Commission.

Agenda Item 6 – Action Items

- A. 2025 Live Racing Requests from North Metro Harness Initiative (d/b/a Running Aces Casino, Hotel and Racetrack).
 - a. Live Racing Days Application
 - b. Televised Race Days Request
 - c. Racing Officials

Chair McArdle asked for questions or comments, there were none. Commissioner Goodman motioned to approve the 2025 Live Racing Request; Second by Commissioner Koob. Motion passed.

B. Legislative Proposal – ADW Fee Increase

Executive Director Gustafson reviewed this proposal that had been tabled to pursue the idea of diverting sales tax revenue generated at the tracks. Unfortunately, that idea is not going to be moving forward so bringing back the option of increasing the ADW fee from 1% to 2%. Commissioner Koob motioned to have Executive Director Gustafson pursue the 2% increase from 1% ADW Fee structure; Second by Commissioner Johnson. Motion passed.

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C. **New Game Consideration – Double Down Madness**

Commissioner Goodman noted that did have an opportunity to talk to Mr. Newton in the meeting and do believe that the legal analysis is that it's consistent with state law and the agreements and compacts as well as legal and recommended by staff. Commissioner Goodman motioned to approve the New Game, Double Down Madness; Second by Commissioner Colombo. Commissioner Benjamin abstained. Motion passed.

Agenda Item 7 – Status Reports

A. Running Aces Casino, Hotel and Racetrack

Mr. Bedessem – Construction update. Phase one will be complete tomorrow, Phase two will start on December 2nd. Planning 2025 calendar.

B. Canterbury Park Entertainment

Mr. Sampson – Appreciate the vote on the ADW funding. Sports betting, continuing to have discussions with all of the players, including legislators and lobbyists. Hopeful that that bill can be taken up and move forward this year. Mystic Lake update, they have now opened their baccarat room and now fully implemented what they said was coming. Watching numbers to see what that impact is going to be on revenues and associated purses from those revenues. Simulcast handle has been very soft. Card room revenues flat with last year. Development update, the new entertainment and dining establishment, "The Stable" got some great press in the last couple of days. Also, just broke ground on another apartment building-office building next to the Greystone office. The amphitheater is going full speed ahead on construction, planning on opening in August.

Agenda Item 9 – Executive Director's Report

A. Contract Approvals

B. HISA/HIWU Update

2025 HISA Assessment and letter from Chair McArdle and Mr. Gustafson submitted to the Federal Trade Commission. Commissioner Goodman asked Mr. Sampson to comment on HISA.

C. Personnel Update

Dr. Christy Klatt is going to be joining us in a limited capacity next year.

D. ADW Report

E. Licensing Report

Commissioner Goodman asked about the fines collected during 2024 and called for a meeting of the Racehorse Aftercare Committee.

F. Other

Item 10 – MQHRA/MTA/MHRI/MNHBPA Reports

MHRI – Cathy Dessert – Annual meeting February 22, 2025, at Running Aces.

MNHBPA – Mike Cronin – Want to compliment Dr. Klatt on the exceptional work she has done throughout the years, she will be missed. UWRF Retrained Racehorse Showcase Saturday, December 14, 2024. This year's program has eight Thoroughbreds and three Standardbreds. Will be awarding about \$40,000 for aftercare.

Commissioner Goodman wanted to remind everyone that today is Give To The Max Day if you feel that there is an organization you can support, both of our aftercare organizations that we have funded are eligible to contribute.

Item 11 – Future Meetings

Full Commission Meeting Thursday, December 19, 2024 @ 4:00 pm at Nutrena Conference Center.

Item 12 – Adjournment

Chair McArdle adjourned the meeting on Thursday, November 21, 2024, at 5:03 p.m.

THESE MEETING MINUTES HAVE BEEN APPROVED ON THIS _____ DAY OF _____, 2024 BY A QUORUM OF THE MINNESOTA RACING COMMISSION.

Action Items

Item 5 –

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

Item 5 –

A. New Business

c. 2025 Live Racing

Requests from

Canterbury Park

Entertainment, LLC

i. Live Race Day

Application

ii. Televised Race Days

Request

iii. Racing Officials



November 15, 2024

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

RE: Canterbury Park 2025 Live Racing Dates Request

Under MRC 7872.0100, Canterbury Park Entertainment, LLC respectfully requests that its application for 2025 live racing dates be placed on the agenda for consideration at the December 2024 meeting of the Minnesota Racing Commission. Please note that this request includes a 51-Day Thoroughbred & Quarter Horse mixed live racing meet. CPE anticipates reaching mutually agreeable 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 2025 dates request 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 2025 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, 2024 (Exhibit D)
5. Canterbury Park's 2024 Meet Analysis (Exhibit E)

Your consideration of this request is very much appreciated,

Amber Carlisle
Senior Manager of Racing Operations
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. **51-Day Mixed Thoroughbred and Quarter Horse Meet**
Saturday, May 24, 2025 – Saturday, September 20, 2025

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. While purse payment minimums are established by MN Statute §240, purses paid at Canterbury Park have consistently exceeded the amount required by law. This will again be true in 2025.

It is estimated that approximately \$8-8.5 million in purses will be offered for the 2025 live racing season. While these purse funds represent a significant decline compared to 2024, CPE is prepared to offer additional, short-term purse supplements if there is successful legislation to provide long-term funding enhancement for purses.

In 2024, lawmakers had negotiated a proposed agreement to the sports betting legislation that would benefit the tracks, tribes, and charities. While that bill ultimately did not receive a vote, CPE remains committed to working with all stakeholders to provide long-term stability for the industry.

More detail on the purse funds and potential impact are noted in MRC 7872.0110, Exhibit B - Sections L, M and Q.

F. Hours of Racing

1. Sundays, Monday, May 26 & Friday, July 4– **1:00 PM**
2. Saturday, June 7, Thursday, July 3, Wednesday, September 17, Thursday, September 18 & Saturday, September 20 – **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 more than 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 \$5 million operating line of credit provided by a bank and had no borrowings under that line of credit as of September 30, 2024. Additionally, as of September 30, 2024, CPE had no long-term debt and total Stockholders' Equity of \$85.2 million.
3. CPE has reported a profit each year from 1996 through 2023 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, 2024. (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:

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. This installation was completed in time for the 2024 live season. 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.

Additionally, following the 2023 live racing season CPE obtained the necessary city and state approvals and began construction of three new barns. The new barns were completed before horses arrived on the backside for the 2024 live racing season. Each of the new barns include 10 tack rooms, 10 feed rooms and 10 wash stalls with 108 horse stalls, each 12 by 12 feet. The structures feature open-air sides and roof vents allowing for maximum ventilation and airflow. A fabric roof allows for natural light while providing shelter from the elements. Conveniently located between the barns are restroom and laundry facilities. The three new barns were well received by the horsepeople, especially those who were stabled in them.

During the 2024 live racing season, construction was completed to reconfigure our racing oval to accommodate a new chute, allowing us to race at a new distance of 7 furlongs. The new distance debuted safely on August 18 and a total of 8 races were run at the distance through the balance of the live meet. This project was done with the horseperson's approval and was well received by participants.

Following the 2024 live racing season, Canterbury Park has continued enhancements to the stable area, including completion of new circulation roads, new permanent perimeter fencing, the addition of 33 permanent RV sites, and enhancements to the backside amenities for families. Additionally, CPE will be making adjustments to improve the effectiveness of the new barn wash stall drains. These finishing touches are expected to be completed before horses' arrival in the spring of 2025.

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 30 race meets conducted at Canterbury Park.

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 remain 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 2024 as well as Televised Race dates in 1994 through 2024.

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, changes made to the 2024 meet, including running fewer days per week and making changes to our purse structure, helped reverse that trend and increased handle and field sizes in 2024.

The dates requested in 2025 are a hybrid of our former business model based on weekend attendance and our more recent model which has emphasized off-track wagering.

Saturday evenings and Sunday afternoons will continue to provide opportunities for on-track fans to experience live racing, while our Wednesday and Thursday night schedule will provide opportunities for national exposure during less crowded timeframes.

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 2025, 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 37 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 1,860 assigned racing dates beginning in 1995, CPE has awarded approximately \$295 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, 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.

As Canterbury Park's available purse offerings become less competitive with surrounding states offering additional gaming supplements to increase purses, the full economic impact of the horse industry to the state is at risk of decline.

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 2024 attendance figures were not back to 2019 levels, it was very encouraging to see large crowds for our Saturday and Sunday racing programs.
2. Despite legislation introduced 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. CPE continues to hear from fans about the desire to wager on Canterbury Park around the state, as ADW legislation has allowed for all non-Minnesota tracks.
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 Event 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.
5. During the summer of 2024, construction began on a new trackside development called The Boardwalk, which will include a restaurant and music venue. This unique outdoor space will feature a trackside patio, allowing guests to have an up-close dining experience with views of the first turn and chute areas. This space is expected to open in the spring 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 2025.

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.
3. Canterbury Park is concerned that without additional sources of purse money, both the quantity of horses and quality of racing may see declines. Total purses paid reached a highwater mark in 2022 of more than \$15 million, which correlated with strong field sizes, quality racing and a healthy breeding program. Without additional sources of purse money in 2025, CPE will only be able to offer less than \$9 million in total purses paid.

M. The availability and quality of horses:

1. 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 five seasons, recruitment has grown more challenging; however, stall applications nearly topped 1,200 during the 2024 season with maximum occupancy at just over 900 during the peak of the live racing season.

In 2025, Canterbury Park will again be aggressively recruiting horses from throughout the country with the goal of attracting a horse population similar to that of 2024. 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. Direct daily competition from other racetracks in Illinois and Iowa also running summer meets has severely diluted the horse population in the Midwest.

The impacts of a national shortage of Thoroughbred horses, regional competition from tracks with enhanced purses from gaming supplements, and a reduction in available purse dollars at Canterbury Park all pose significant challenges for the 2025 season if no additional sources of purse monies are secured.

N. The development of horse racing:

1. By offering a first-class facility, 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. Canterbury Park continues to make significant investments in regulatory and legislative efforts designed to enhance racing purses and grow the industry.

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 30 years CPE has committed more than \$50 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 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.

During the 2024 live racing season, the Horseracing Integrity and Safety Authority (HISA) Accreditation Team visited our facility in order to conduct an on-site inspection of Canterbury Park. The HISA Accreditation Team appreciated CPE's cooperation and high level of commitment to equine and jockey safety. CPE looks forward to working with HISA in order to maintain our Full Accreditation status.

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.

5. Immediately following the conclusion of the 2024 Live Racing season, construction on a permanent 33-pad RV Park began, in addition to the continuation of backside road circulation work.

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.
3. During the 2024 Live Racing Season, as a part of the overall barn area improvement project, the Stable Gate was rebuilt and moved to its new location. Stable Gate Security continues to work closely with the Minnesota Racing Commission Vets' Office, ensuring all required paperwork and documentation for horses entering and exiting the backside is properly recorded and enforced.

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 \$8-8.5 million will be offered for all breeds in 2025 over 51 days of racing.
2. As noted previously, the available purse money represents a reduction from the past two years, as well as during the purse enhancement agreement with Mystic Lake. Canterbury Park is concerned about the available purse money and the potential impact it will have on attracting horses to Canterbury Park as well as long-term impact on breeding in the state and the future Minnesota-bred horse population. Canterbury Park will continue to pursue regulatory and legislative efforts to enhance purse dollars available and stabilize the future of Thoroughbred and Quarter Horse racing in Minnesota.

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 and 2024 Minnesota-bred payouts were not equal to earlier seasons' numbers, during each

of the past two seasons Minnesota-breds have earned over \$4.5 million, which is a significant portion of available purse money.

2. Additionally, Breeders' and Stallion owners also received almost \$600,000 in awards paid based on the results of the 2024 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.
5. Uncertainty about the future of purse fund availability is impacting thoroughbred and quarter horse breeding numbers in the state. Between 2021 and 2023, Minnesota's thoroughbred foal crop declined by 42%. Creating long-term purse growth and stability must be a priority for Minnesota's horse racing industry.

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 2024, Canterbury Park, for the thirtieth straight year and despite a global pandemic in 2020, offered at least 50 days of racing during the months of May, June, July, August and September.
2. In 2025, CPE is applying for a racing season that consists of 51 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 2024 CPE faced competition for the seventeenth year from another racetrack in the Twin Cities, Running Aces Harness Park. Throughout those seventeen 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 \$700,000 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
2024	\$32,370	\$32,370***	\$10,781.25	\$75,521.25
Total	\$316,727	\$314,327	\$102,338.25	\$733,392.25

* 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 2024 Per Start Contribution as part of its 2024 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 31 years Canterbury has had an excellent working relationship with the Minnesota HBPA and the Minnesota Quarter Horse Racing 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 thirty 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 our 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 agreeable contract. If these negotiations deem a necessary adjustment in race dates, CPE respectfully reserves the right to bring forth an amended 2025 dates request for your consideration.

Canterbury Park 2025 Live Racing Calendar
 51 Days - May 24 - September 20



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	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, 2024.

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 5,019,609 shares of common stock, \$.01 par value, outstanding as of November 7, 2024.

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, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 16,713,056	\$ 21,936,210
Restricted cash	5,714,338	3,905,544
Short-term investments	5,000,000	5,000,000
Accounts receivable, net of allowance of \$7,670 for both periods	2,457,780	484,092
Inventory	292,986	249,370
Prepaid expenses	1,706,038	645,422
Income taxes receivable and prepaid income taxes	2,127,349	4,083,364
Total Current Assets	<u>34,011,547</u>	<u>36,304,002</u>
LONG-TERM ASSETS		
Other prepaid expenses	38,182	10,978
TIF receivable	16,969,097	13,972,875
Related party receivable	4,616,067	3,526,071
Operating lease right-of-use asset	27,674	53,026
Equity investment	8,046,985	6,612,712
Land held for development	1,229,475	1,229,475
Land, buildings, and equipment, net	49,288,093	42,969,529
Total Long-term Assets	<u>80,215,573</u>	<u>68,374,666</u>
TOTAL ASSETS	<u>\$ 114,227,120</u>	<u>\$ 104,678,668</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 5,783,824	\$ 4,599,391
Casino accruals	2,240,551	2,667,499
Accrued wages and payroll taxes	2,806,975	1,662,927
Cash dividend payable	350,555	346,125
Accrued property taxes	726,331	741,215
Deferred revenue	325,883	274,898
Payable to horsepersons	2,906,622	763,383
Current portion of finance lease obligations	32,259	1,604
Current portion of operating lease obligations	27,674	25,352
Total Current Liabilities	<u>15,200,674</u>	<u>11,082,394</u>
LONG-TERM LIABILITIES		
Deferred income taxes	9,708,000	10,300,015
Investee losses in excess of equity investment	4,003,146	1,464,218
Finance lease obligations, net of current portion	125,682	7,770
Operating lease obligations, net of current portion	—	27,674
Total Long-term Liabilities	<u>13,836,828</u>	<u>11,799,677</u>
TOTAL LIABILITIES	<u>29,037,502</u>	<u>22,882,071</u>
STOCKHOLDERS' EQUITY		
Common stock, \$.01 par value, 10,000,000 shares authorized, 5,019,609 and 4,962,573 respectively, shares issued and outstanding	50,196	49,626
Additional paid-in capital	28,445,226	27,351,509
Retained earnings	56,694,196	54,395,462
Total Stockholders' Equity	<u>85,189,618</u>	<u>81,796,597</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 114,227,120</u>	<u>\$ 104,678,668</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,	
	2024	2023	2024	2023
OPERATING REVENUES:				
Casino	\$ 9,878,660	\$ 10,224,216	\$ 29,780,059	\$ 30,322,149
Pari-mutuel	3,327,332	3,405,010	7,100,316	7,009,710
Food and beverage	3,102,706	3,310,759	6,930,086	6,808,242
Other	2,975,669	2,328,564	5,774,290	4,769,694
Total Net Revenues	19,284,367	19,268,549	49,584,751	48,909,795
OPERATING EXPENSES:				
Purse expense	2,796,644	2,594,270	6,474,049	6,034,508
Minnesota Breeders' Fund	292,740	308,038	810,141	822,797
Other pari-mutuel expenses	186,745	210,212	708,911	691,519
Salaries and benefits	7,290,780	7,245,775	20,280,955	19,922,853
Cost of food and beverage and other sales	1,166,693	1,161,665	2,661,404	2,567,561
Depreciation and amortization	936,033	831,379	2,676,092	2,308,272
Utilities	479,361	568,022	1,209,039	1,366,742
Advertising and marketing	668,572	887,197	1,214,788	1,817,180
Professional and contracted services	1,915,498	2,284,181	4,613,426	4,857,229
Gain on disposal of assets	-	(19,265)	-	(19,265)
Other operating expenses	1,637,026	1,390,339	4,137,582	4,117,388
Total Operating Expenses	17,370,092	17,461,813	44,786,387	44,486,784
Gain on transfer/sale of land	1,732,353	-	1,732,353	6,489,976
INCOME FROM OPERATIONS	3,646,628	1,806,736	6,530,717	10,912,987
OTHER INCOME (LOSS)				
(Loss) gain from equity investment	(1,374,401)	(674,341)	(3,401,147)	561,991
Interest income, net	521,579	536,904	1,592,676	1,433,353
Net Other (Loss) Income	(852,822)	(137,437)	(1,808,471)	1,995,344
INCOME BEFORE INCOME TAXES	2,793,806	1,669,299	4,722,246	12,908,331
INCOME TAX EXPENSE	(772,000)	(533,000)	(1,364,000)	(3,709,000)
NET INCOME	\$ 2,021,806	\$ 1,136,299	\$ 3,358,246	\$ 9,199,331
Basic earnings per share	\$ 0.40	\$ 0.23	\$ 0.67	\$ 1.87
Diluted earnings per share	\$ 0.40	\$ 0.23	\$ 0.67	\$ 1.86
Weighted average basic shares outstanding	5,008,048	4,933,961	4,986,609	4,913,560
Weighted average diluted shares	5,029,850	4,950,524	5,021,622	4,941,100
Cash dividends declared per share	\$ 0.07	\$ 0.07	\$ 0.21	\$ 0.21

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, 2024

	Number of Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
Balance at June 30, 2024	5,007,921	\$ 50,079	\$ 28,086,304	\$ 55,022,946	\$ 83,159,329
Stock-based compensation	—	—	147,837	—	147,837
Dividend declared	—	—	—	(350,556)	(350,556)
401(k) stock match	11,688	117	211,085	—	211,202
Net income	—	—	—	2,021,806	2,021,806
Balance at September 30, 2024	<u>5,019,609</u>	<u>\$ 50,196</u>	<u>\$ 28,445,226</u>	<u>\$ 56,694,196</u>	<u>\$ 85,189,618</u>

For the nine months ended September 30, 2024

	Number of Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
Balance at December 31, 2023	4,962,573	\$ 49,626	\$ 27,351,509	\$ 54,395,462	\$ 81,796,597
Stock-based compensation	—	—	418,957	—	418,957
Dividend declared	—	—	—	(1,059,512)	(1,059,512)
401(K) stock match	32,024	320	655,120	—	655,440
Issuance of deferred stock awards	17,475	175	(109,062)	—	(108,887)
Shares issued under Employee Stock Purchase Plan	7,537	75	128,702	—	128,777
Net income	—	—	—	3,358,246	3,358,246
Balance at September 30, 2024	<u>5,019,609</u>	<u>\$ 50,196</u>	<u>\$ 28,445,226</u>	<u>\$ 56,694,196</u>	<u>\$ 85,189,618</u>

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 distribution	—	—	—	(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>

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,	
	2024	2023
Operating Activities:		
Net income	\$ 3,358,246	\$ 9,199,331
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,676,092	2,308,272
Stock-based compensation expense	418,957	398,269
Stock-based employee match contribution	655,440	644,573
Gain on disposal of assets	—	(19,265)
Gain on sale of land	—	(6,489,976)
Gain on transfer of land	(1,732,353)	—
Deferred income taxes	(592,015)	776,000
Loss (gain) from equity investment	3,401,147	(561,991)
Changes in operating assets and liabilities:		
Accounts receivable	(1,973,688)	(1,001,522)
Employee retention credit	—	6,103,236
Increase in TIF receivable	(510,064)	(502,644)
Inventory and prepaid expenses	(1,131,436)	96,360
Income taxes receivable and prepaid income taxes	1,956,015	(374,000)
Operating lease right-of-use asset	25,352	24,524
Operating lease liabilities	(25,352)	(24,524)
Accounts payable	(142,261)	116,379
Deferred revenue	50,985	(46,443)
Casino accruals	(426,948)	3,152
Accrued wages and payroll taxes	1,144,048	581,448
Accrued property taxes	(14,884)	(262,755)
Payable to horsepersons	2,143,239	(767,731)
Net cash provided by operating activities	<u>9,280,520</u>	<u>10,200,693</u>
Investing Activities:		
Additions to land, buildings, and equipment	(8,080,229)	(5,577,116)
Proceeds from disposal of assets	—	22,500
Proceeds from sale of land	—	8,336,359
Additions for TIF eligible improvements	(2,486,158)	(4,160)
Increase in related party receivable	(1,089,996)	(382,987)
Proceeds from sale of short-term investments	5,000,000	500,000
Purchase of short-term investments	(5,000,000)	—
Cash dividends received from investments	19,158	—
Net cash (used in) provided by investing activities	<u>(11,637,225)</u>	<u>2,894,596</u>
Financing Activities:		
Proceeds from issuance of common stock	128,777	94,633
Cash dividend paid to shareholders	(1,055,082)	(1,039,404)
Payments for taxes related to net share settlement of equity awards	(108,887)	(171,749)
Principal payments on finance leases	(22,463)	(9,219)
Net cash used in financing activities	<u>(1,057,655)</u>	<u>(1,125,739)</u>
Net (decrease) increase in cash, cash equivalents, and restricted cash	(3,414,360)	11,969,550
Cash, cash equivalents, and restricted cash at beginning of period	<u>25,841,754</u>	<u>16,106,003</u>
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 22,427,394</u>	<u>\$ 28,075,553</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	\$	1,327,000	\$ 28,000
Dividend declared but not yet paid		351,000	345,000
Change in investee losses in excess of equity investments		2,539,000	(636,000)
ROU assets obtained in exchange for lease obligations		171,000	77,550
Transfer of assets to Trackside Investments, LLC		583,000	—
Supplemental disclosure of cash flow information:			
Income taxes paid, net of refunds	\$	—	\$ 3,257,000
Interest paid		10,000	—

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 20 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, 2023, included in its Annual Report on Form 10-K (the “2023 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, 2024 and 2023 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, 2024 and 2023 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 the 2023 Form 10-K. There were no material changes in significant accounting policies during the three and nine months ended September 30, 2024.

Reclassifications – Certain amounts in prior period financial statements have been reclassified to conform to current period presentations.

Restricted Cash – Restricted cash represents refundable deposits and amounts due to horsemen for purses, stakes and awards, collateral needed for joint venture operations, 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 - Accounts receivable are initially recorded for amounts due from other tracks for simulcast revenue, net of amounts due to other tracks, and for amounts due from customers related to catering and events. Credit is granted in the normal course of business without collateral. Accounts receivable are stated net of allowances for credit losses, which represent estimated losses resulting from the inability of customers to make the required payments. Accounts that are outstanding longer than the contractual terms are considered past due. 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, 2024 and December 31, 2023 was not material.

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, \$7,694,000 and \$6,174,000 for the nine months ended September 30, 2024 and 2023, 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, the Company 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 2024. 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. 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, 2024 to our non-employee directors consists only of the grants of deferred stock on June 6, 2024 of an aggregate 10,734 shares with a weighted average fair value per share of \$22.35. There were no unvested restricted stock or stock options outstanding to any non-employee director at September 30, 2024.

Board of Directors deferred stock transactions during the nine months ended September 30, 2024 are summarized as follows:

	Deferred Stock	Weighted Average Fair Value Per Share
Non-Vested Balance, December 31, 2023	7,818	\$ 23.01
Granted	10,734	22.35
Vested	(7,818)	23.01
Forfeited	—	—
Non-Vested Balance, September 30, 2024	<u>10,734</u>	<u>\$ 22.35</u>

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, 2024, the Company granted employees deferred stock awards totaling 22,100 shares of common stock, with a vesting term of approximately four years and a fair value of \$21.08 per share. 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.

Employee deferred stock transactions during the nine months ended September 30, 2024 are summarized as follows:

	Deferred Stock	Weighted Average Fair Value Per Share
Non-Vested Balance, December 31, 2023	36,920	\$ 22.00
Granted	22,100	21.08
Vested	(15,230)	19.15
Forfeited	—	—
Non-Vested Balance, September 30, 2024	<u>43,790</u>	<u>\$ 22.52</u>

There were no stock options outstanding to any employee or other person at September 30, 2024. Stock-based compensation expense related to deferred stock awards and restricted stock awards is included on the Condensed Consolidated Statements of Operations and totaled approximately \$419,000 and \$398,000 for the nine months ended September 30, 2024 and 2023. At September 30, 2024, there was approximately \$905,000 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, 2024 and 2023:

	Three Months Ended September 30, 2024		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income (numerator) amounts used for basic and diluted per share computations:	<u>\$ 2,021,806</u>	<u>\$ 1,136,299</u>	<u>\$ 3,358,246</u>	<u>\$ 9,199,331</u>
Weighted average shares (denominator) of common stock outstanding:				
Basic	5,008,048	4,933,961	4,986,609	4,913,560
Plus dilutive effect of deferred stock awards	21,802	16,563	35,013	27,540
Diluted	<u>5,029,850</u>	<u>4,950,524</u>	<u>5,021,622</u>	<u>4,941,100</u>
Net income per common share:				
Basic	\$ 0.40	\$ 0.23	\$ 0.67	\$ 1.87
Diluted	0.40	0.23	0.67	1.86

4. GENERAL CREDIT AGREEMENT

The Company has a general credit and security agreement with a financial institution. The agreement was amended as of February 28, 2021 to extend the maturity date to January 31, 2024 and increase its revolving credit line up to \$10,000,000. The line of credit was collateralized by all receivables, inventory, equipment, and general intangibles of the Company, as well as a mortgage on certain real property. The credit agreement contains covenants requiring the Company to maintain certain financial ratios. The general credit and security agreement was further amended as of January 31, 2024 to extend the maturity date to January 31, 2027 and reduce the maximum borrowing under the line of credit to \$5,000,000. In connection with the amendment, the financial institution terminated a mortgage to release certain Company real property as collateral and the parties entered into a negative pledge agreement under which the Company agreed not to create any liens or encumbrances on certain Company real property. The outstanding balance on the line of credit was \$0 at both September 30, 2024 and December 31, 2023.

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 special event days to the horse racing segment for use of the facilities.

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

	For the Nine Months Ended September 30, 2024				
	Horse Racing	Casino	Food and Beverage	Development	Total
Net revenues from external customers	\$ 12,093	\$ 29,780	\$ 7,712	\$ —	\$ 49,585
Intersegment revenues	238	—	1,044	—	1,282
Net interest income	809	—	—	784	1,593
Depreciation	2,328	225	123	—	2,676
Segment income (loss) before income taxes	(1,962)	5,636	2,086	(1,038)	4,722
Segment tax expense (benefit)	(567)	1,628	603	(300)	1,364
	September 30, 2024				
Segment Assets	\$ 104,133	\$ 1,899	\$ 35,912	\$ 39,381	\$ 181,325
	For the 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	(3,745)	6,940	2,137	7,576	12,908
Segment tax expense (benefit)	(1,076)	1,994	614	2,177	3,709
	December 31, 2023				
Segment Assets	\$ 92,970	\$ 2,125	\$ 33,175	\$ 34,892	\$ 163,162

The following are reconciliations of reportable segment revenues, income before income taxes, and assets, to the Company's consolidated totals (in 000's):

	For the Nine Months Ended September 30,	
	2024	2023
Revenues		
Total net revenue for reportable segments	\$ 50,867	\$ 49,997
Elimination of intersegment revenues	(1,282)	(1,087)
Total consolidated net revenues	<u>\$ 49,585</u>	<u>\$ 48,910</u>
Income before income taxes		
Total segment income before income taxes	\$ 7,401	\$ 15,833
Elimination of intersegment income loss before income taxes	(2,679)	(2,925)
Total consolidated income before income taxes	<u>\$ 4,722</u>	<u>\$ 12,908</u>
	September 30,	December 31,
	2024	2023
Assets		
Total assets for reportable segments	\$ 181,325	\$ 163,162
Elimination of intercompany balances	(67,098)	(58,483)
Total consolidated assets	<u>\$ 114,227</u>	<u>\$ 104,679</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. Effective December 12, 2023, the Indemnity Agreement was amended to increase the maximum indemnification by an additional \$1,300,000, bringing the total to a maximum of \$7,000,000.

Effective December 21, 2023, the Company entered into its annual live race meet and purse fund contribution agreement with the Minnesota Horsemen's Benevolent & Protective Association ("MHBPA") and the Minnesota Quarter Horse Racing Association ("MQHRA") regarding the upcoming 2024 live race meet. In an effort to increase field size and improve the quality of racing for the 2024 season, the Company has guaranteed purses for overnight races at \$23,000 per race. The parties recognize there is likely to be a significant financial cost to the Company in establishing a 2024 thoroughbred purse structure intended to average \$23,000 per conducted overnight race and that to maintain that average purse structure, the Company will be making an overpayment that may be repaid to the Company through reimbursement in subsequent racing years. This anticipated overpayment of purses by the Company is intended to create a short-term bridge until additional purse supplements can be obtained from other sources. In the event that additional purse revenue is secured within the next five years through additional forms of gaming at the Company, new revenue streams, or legislative action, the Company will be eligible for reimbursement of the actual 2024 overpayment amount from those purse supplements. In addition, the Company agreed to allocate approximately \$400,000 to be used as recruiting and participation incentives to attract thoroughbred trainers, owners, and stables for the 2024 live meet in an effort to generate additional pari-mutuel handle through improved field size. For the three and nine months ended September 30, 2024, the Company has recognized expenses of \$257,000 and \$418,000, respectively, related to these incentives.

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, 2024 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. 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 completed 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, 2024, the Company recorded losses of \$927,000 and \$2,539,000, respectively, on equity method investment related to this joint venture. 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 is due to a gain recognized on insurance proceeds received by Doran Canterbury I related to an outstanding claim. In accordance with U.S. GAAP, since we are committed to provide future capital contributions to Doran Canterbury I, 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 \$4,003,000 and \$1,464,000 at September 30, 2024 and December 31, 2023, respectively. See Note 9 of Notes to Financial Statements for a summary of member loans to Doran Canterbury I.

We are a party to a contribution and indemnity agreement with affiliates of Doran relating to debt financing by Doran Canterbury I as borrower, which is guaranteed by Doran affiliates. Under the contribution and indemnity agreement, as amended, the Company is obligated to reimburse and indemnify each loan guarantor for any amounts paid by such loan guarantor to the lender on debt financing by Doran Canterbury I, up to a maximum of \$7,000,000 as of September 30, 2024. See Note 6. "Commitments and Contingencies."

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. On September 30, 2020, Canterbury Development LLC contributed approximately 10 acres of land as its equity contribution in the Doran Canterbury II joint venture and became a 27.4% equity member. Doran Canterbury II has completed developing Phase II of the project which includes an additional 300 apartment units. 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. For the three and nine months ended September 30, 2024, the Company recorded losses of \$364,000 and \$781,000, respectively, on equity method investment related to this joint venture. As of September 30, 2023, the proportionate share of Doran Canterbury II's earnings was immaterial as Doran Canterbury II was not placed into service until January 2024. 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 9 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. Canterbury DBSV has since entered into multiple other joint venture investments, all related to the multi-use development of the 13-acre parcel mentioned before. All such investments are accounted for under the equity method by Canterbury DBSV. For the three and nine months ended September 30, 2024, the Company recorded losses of \$84,000 and \$81,000, respectively, on equity method investments related to this joint venture. For the three and nine months ended September 30, 2023, the Company recorded losses of \$24,000 and \$76,000, respectively, on equity method investments related to this joint venture. For the three and nine months ended September 30, 2024, the Company also received dividend distributions of \$6,000 and \$19,000, respectively, related to this joint venture.

Trackside Investments, LLC

On September 20, 2023, Canterbury Development, entered into an Operating Agreement with Trackside Hospitality, LLC as the two members of a Minnesota limited liability company named Trackside Investments, LLC ("Trackside Investments"). Trackside Investments was formed as a joint venture for the development of an approximately 16,000 square foot restaurant and entertainment venue. Canterbury Development, LLC's equity contribution to Trackside Investments was approximately 3.5 acres of land, which were contributed to Trackside Investments on August 20, 2024. In connection with its contribution, Canterbury Development became a 50% equity member in Trackside Investments. In addition, Canterbury Development is guaranteed an annual 6% preferred return on the balance of Canterbury Development's undistributed base capital. As the Company is able to assert significant influence, but not control, over Trackside Investments' operational and financial policies, the Company accounts for the joint venture as an equity method investment.

In accordance with ASC 610-20, we determined that we do not have a controlling financial interest in the Trackside Investments joint venture and the arrangements meet the criteria to be accounted for as a contract. Therefore, we derecognized the land and recognized a full gain (approximately \$1,732,000) between the carrying amount of the land and the estimated fair value of the land transferred. In future periods, the Company will recognize its proportionate share of Trackside Investments' earnings as an increase or decrease in its Equity investment and as Income or Loss from Investment in 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, 2024:

	Equity investment	Investee losses in excess of equity investment	Equity investment, net
Net Equity Investment Balance at 12/31/23	\$ 6,612,712	\$ (1,464,218)	\$ 5,148,494
Q1 Equity investment loss	(87,841)	(764,406)	(852,247)
Q2 Equity investment loss	(326,482)	(848,017)	(1,174,499)
Q3 Equity investment loss	(447,896)	(926,505)	(1,374,401)

Contribution to equity investment	2,315,650	—	2,315,650
Dividends received from investments	(19,158)	—	(19,158)
Net Equity Investment Balance at 9/30/24	<u>\$ 8,046,985</u>	<u>\$ (4,003,146)</u>	<u>\$ 4,043,839</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, 2024, the Company recorded a TIF receivable of approximately \$16,969,000, which represents \$13,793,000 of principal and \$3,176,000 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, 2023, the Company recorded a TIF receivable of approximately \$13,973,000, which represented \$11,307,000 of principal and \$2,666,000 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.

8. 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 \$25,353 for both the nine months ended September 30, 2024 and 2023. 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 \$386,044 and \$378,134 for the nine months ended September 30, 2024 and 2023, respectively.

Lease costs included in depreciation and amortization related to our finance leases were \$24,999 and \$18,701 for the nine months ended September 30, 2024 and 2023, respectively. 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, 2024	December 31, 2023
Assets			
Finance	Land, buildings and equipment, net (1)	\$ 157,941	\$ 9,374
Operating	Operating lease right-of-use assets	27,674	53,026
Total Leased Assets		<u>\$ 185,615</u>	<u>\$ 62,400</u>

1 – Finance lease assets are net of accumulated amortization of \$22,968 and \$118,424 as of September 30, 2024 and December 31, 2023, respectively.

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

	September 30, 2024	December 31, 2023
Weighted average remaining lease term (in years):		
Finance	4.5	4.9
Operating	0.4	0.8
Weighted average discount rate (%):		
Finance	8.5%	4.8%
Operating	8.0%	8.0%

The maturity of operating leases and finance leases as of September 30, 2024 are as follows:

Nine Months Ended September 30,	Operating leases	Finance leases
2024 remaining	\$ —	\$ 11,111
2025	28,228	44,447
2026	—	44,447
2027	—	44,447
2028 and beyond	—	44,251
Total minimum lease obligations	28,228	188,703
Less: amounts representing interest	(554)	(30,762)
Present value of minimum lease payments	27,674	157,941
Less: current portion	(27,674)	(32,259)
Lease obligations, net of current portion	<u>\$ —</u>	<u>\$ 125,682</u>

9. 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 \$3,812,000 and \$2,957,000 as of September 30, 2024 and December 31, 2023, respectively. These member loans bear interest at the rate equal to the Prime Rate plus two percent per annum, and accrued interest totaled \$796,000 and \$522,000 as of September 30, 2024 and December 31, 2023, 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 \$8,000 and \$47,000 as of September 30, 2024 and December 31, 2023, respectively, for various related costs incurred by the Company. The Company expects to be fully reimbursed for these costs by the related parties in 2024.

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 20 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, 2024:

Revenues:

Total net revenues for the three months ended September 30, 2024 were \$19,284,000, an increase of \$16,000, or 0.1%, compared to total net revenues of \$19,268,000 for the three months ended September 30, 2023. Total net revenues for the nine months ended September 30, 2024 were \$49,585,000, an increase of \$675,000, or 1.4%, compared to total net revenues of \$48,910,000 for the nine months ended September 30, 2023. See below for a further discussion of our sources of revenues.

Casino Revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Poker Games Collection	\$ 1,902,000	\$ 1,844,000	\$ 5,711,000	\$ 5,665,000
Other Poker Revenue	600,000	739,000	1,961,000	2,253,000
Total Poker Revenue	2,502,000	2,583,000	7,672,000	7,918,000
Table Games Collection	6,343,000	7,037,000	19,558,000	20,567,000
Other Table Games Revenue	1,034,000	604,000	2,550,000	1,837,000
Total Table Games Revenue	7,377,000	7,641,000	22,108,000	22,404,000
Total Casino Revenue	\$ 9,879,000	\$ 10,224,000	\$ 29,780,000	\$ 30,322,000

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 decreased \$345,000, or 3.4%, and \$542,000, or 1.8%, for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The decrease for the three and nine months ended September 30, 2024 can be primarily attributed to both a decrease in drop and a lower average collection revenue rate in table games, somewhat offset by an increase in our other table games revenue due to increases related to our progressive jackpot revenue.

Pari-Mutuel Revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Simulcast	\$ 809,000	\$ 906,000	\$ 2,823,000	\$ 2,848,000
Live Racing	1,017,000	1,047,000	1,557,000	1,526,000
Guest Fees	1,131,000	1,082,000	1,669,000	1,533,000
Other revenue	370,000	370,000	1,051,000	1,103,000
Total Pari-Mutuel Revenue	\$ 3,327,000	\$ 3,405,000	\$ 7,100,000	\$ 7,010,000

Total pari-mutuel revenue decreased \$78,000, or 2.3%, and increased \$90,000, or 1.3%, for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. For the three months ended September 30, 2024, the decrease in pari-mutuel revenues is primarily due to one fewer live race day (37 race days in 2024 compared to 38 race days in 2023). For the nine months ended September 30, 2024, the increase in pari-mutuel revenues is primarily due to an increase in live race days year-over-year (54 race days in 2024 compared to 53 race days in 2023 for the nine months ended September 30) as well as increased out-of-state handle due to increased field sizes on a per race basis.

Food and Beverage Revenue:

Food and beverage revenue decreased \$208,000, or 6.3%, and increased \$122,000, or 1.8%, for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The decrease for the three months ended September 30, 2024 is primarily due to one fewer race day compared to the same period last year. The increase for the nine months ended September 30, 2024 is primarily due to increased catering operations related to hosting large scale special events as well the one additional race day year-over-year mentioned above.

Other Revenue:

Other revenue increased \$647,000, or 27.8%, and increased \$1,005,000, or 21.1%, for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The increase is primarily due to admission revenue increases related to our first ever rodeo, our first comedy series, and our live racing events.

Operating Expenses:

Total operating expenses decreased \$92,000, or 0.5%, and increased \$300,000, or 0.7%, for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The following paragraphs provide further detail regarding certain operating expenses.

Purse expense increased \$202,000, or 7.8%, and increased \$440,000, or 7.3%, for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The increase is primarily due to the expenses incurred as part of our recruiting and participation incentives paid in 2024 under our annual live race meet and purse fund contribution agreement dated December 21, 2023. See Note 6. for further details.

Salaries and benefits increased \$45,000, or 0.6%, and increased \$358,000, or 1.8%, for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The increase is primarily due to annual wage increases along with the State of Minnesota annual mandated increase in the minimum wage.

Depreciation and amortization increased \$105,000, or 12.6%, and increased \$368,000, or 15.9%, for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The increase is primarily due to placing larger fixed assets into service towards the second half of 2023 as well as placing assets into service related to the first and second phases of our barn relocation and redevelopment plan in the second quarter of 2024.

Advertising and marketing costs decreased \$219,000, or 24.6%, and decreased \$602,000, or 33.1%, for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The decrease is primarily due to intentionally reducing overall spend in an effort to cut costs.

Professional and contracted services decreased \$369,000, or 16.1%, and decreased \$244,000, or 5.0%, for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The decrease is primarily due to higher costs in 2023 related to long-term strategic growth initiatives.

Other operating expenses increased \$247,000, or 17.7%, and \$20,000, or 0.5%, for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The increase is primarily due to higher promoter expenses related to special events.

During the 2024 third quarter, the Company recorded a gain on transfer of land of \$1,732,000 as result of transferring approximately 3.5 acres of land to the Trackside Investments joint venture. See Note 7. for further details.

Other Income (Loss), Net:

Other loss, net, for the three months ended September 30, 2024 was \$853,000, a decrease of \$715,000, compared to other loss, net, of \$137,000 for the three months ended September 30, 2023. Other loss, net, for the nine months ended September 30, 2024 was \$1,808,000, a decrease of \$3,804,000, compared to other income of \$1,995,000 for the nine months ended September 30, 2023. The decrease for the nine months ended September 30, 2024 compared to the same period last year is primarily due to our share of insurance proceeds received on a claim by Doran Canterbury I during the nine months ended September 30, 2023. This decrease was partially offset by increased interest income due to the Company transferring available cash into certificates of deposit and money market funds as well as an increases to the principal balance related to our member loans to Doran Canterbury I and Doran Canterbury II.

Income Taxes:

The Company recorded a provision for income taxes of \$772,000 and \$533,000 for the three months ended September 30, 2024 and 2023, respectively. The Company recorded a provision for income taxes of \$1,364,000 and \$3,709,000 for the nine months ended September 30, 2024 and 2023, 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 nine months ended September 30, 2024 compared to 2023 is primarily due to a decrease in income before taxes from operations. Our effective tax rate was 27.6% and 28.9% for three and nine months ended September 30, 2024, respectively. Our effective tax rate was 31.9% and 28.7% for the three and nine months ended September 30, 2023, respectively. The decrease in the effective tax rate is primarily the result of favorable discrete items that occurred during the three months ended September 30, 2024.

Net Income:

The Company recorded net income of \$2,022,000, or \$0.40 per basic and diluted share, and \$3,358,000, or \$0.67 per basic and diluted share, for the three and nine months ended September 30, 2024, respectively. The Company recorded net income of \$1,136,000, or \$0.23 per basic and diluted share, and \$9,199,000, or \$1.87 per basic and \$1.86 diluted share, for the three and nine months ended September 30, 2023, 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, 2024, Adjusted EBITDA excluded stock-based compensation, as well as depreciation and amortization relating to equity investments, interest expense related to equity investments, and a gain on transfer of land. For the three and months ended September 30, 2023, Adjusted EBITDA also excluded a gain on disposal of assets, a gain on insurance proceeds received by the Company's equity investment, and a gain on sale of land. 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, 2024 and 2023:

Summary of EBITDA Data

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
NET INCOME	\$ 2,021,806	\$ 1,136,299	\$ 3,358,246	\$ 9,199,331
Interest income, net	(521,579)	(536,904)	(1,592,676)	(1,433,353)
Income tax expense	772,000	533,000	1,364,000	3,709,000
Depreciation and amortization	936,033	831,379	2,676,092	2,308,272
EBITDA	3,208,260	1,963,774	5,805,662	13,783,250
Stock-based compensation	358,922	341,809	1,074,077	1,042,556
Gain on disposal of assets	—	(19,265)	—	(19,265)
Gain on transfer/sale of land	(1,732,353)	—	(1,732,353)	(6,489,976)
Gain on insurance proceeds related to equity investments	—	—	—	(2,528,901)
Depreciation and amortization related to equity investments	605,138	438,011	1,667,927	1,313,986
Interest expense related to equity investments	840,504	467,571	2,085,327	1,292,627
ADJUSTED EBITDA	\$ 3,280,471	\$ 3,191,900	\$ 8,900,640	\$ 8,394,277

Adjusted EBITDA increased \$89,000, or 2.8%, and \$506,000, or 6.0%, for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The increase in Adjusted EBITDA is primarily due to an overall increase in Income from Operations. 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, which was not present in other periods. For the three and nine months ended September 30, 2024, Adjusted EBITDA as a percentage of net revenue was 17.0% and 18.0%, respectively. For the three and nine months ended September 30, 2023, Adjusted EBITDA as a percentage of net revenue was 16.6% and 17.2%, 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 line of credit and security agreement with a financial institution. The agreement was amended as of February 28, 2021 to extend the maturity date to January 31, 2024 and increase its revolving credit line up to \$10,000,000. The line of credit was collateralized by all receivables, inventory, equipment, and general intangibles of the Company, as well as a mortgage on certain real property. The credit agreement contains covenants requiring the Company to maintain certain financial ratios. The general credit and security agreement was further amended as of January 31, 2024 to extend the maturity date to January 31, 2027 and reduce the maximum borrowing under the line of credit to \$5,000,000. In connection with the amendment, the financial institution terminated a mortgage to release certain Company real property as collateral and the parties entered into a negative pledge agreement under which the Company agreed not to create any liens or encumbrances on certain Company real property. As of September 30, 2024, 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, 2024. As of September 30, 2024, the Company was in compliance with the financial covenants of the credit and security agreement.

The Company's cash, cash equivalents, and restricted cash balance at September 30, 2024 was \$22,427,000 compared to \$25,842,000 as of December 31, 2023. In August 2023, the Company received approval for a three-phase barn relocation and redevelopment plan totaling approximately \$15 million over the course of two years. As of September 30, 2024, the Company has completed phases one and two of the project with phase three currently underway, with estimated remaining costs of approximately \$5,000,000. In addition, the Company expects to spend the remaining \$3,800,000 in tax increment financing over the next six months for the completion of the private redevelopment plan. 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 potential future land sales, will be sufficient to satisfy its ongoing liquidity and capital resource requirements for regular operations, as well as these planned development expenses for at least the next twelve months. 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, 2024 was \$9,281,000, primarily as a result of the following: the Company reported net income of \$3,358,000, depreciation of \$2,676,000, a loss from equity investment of \$3,401,000, and stock-based compensation and 401(k) match totaling \$1,074,000. This was partially offset by a gain recognized on a transfer of land of \$1,732,000. The Company also experienced an increase in payable to horsepersons of \$2,143,000, primarily due to the timing of our live racing season. This was offset by an increase in accounts receivable of \$1,974,000, primarily due to purse payments made as part of the 2024 live meet and purse fund contribution agreement, and an increase in inventory and prepaid expenses of \$1,131,000, primarily due to the prepayment of infrastructure development, for the nine months ended September 30, 2024.

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.

Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2024 was \$11,637,000, primarily due to additions to land, buildings, and equipment of \$8,080,000 and an increase in TIF eligible improvements of \$2,486,000, which are associated with the barn relocation and redevelopment plan.

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, which were associated with the barn relocation and redevelopment plan.

Financing Activities

Net cash used in financing activities for the nine months ended September 30, 2024 was \$1,058,000, 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 during the three months ended September 30, 2024.

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.

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, 2023. Management made no changes to the Company's critical accounting estimates during the quarter ended September 30, 2024. 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, 2024.

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, 2024, the Company recorded a TIF receivable on its Consolidated Balance Sheet of approximately \$16,969,000, which represents \$13,793,000 of principal and \$3,176,000 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, 2023, 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 months ended September 30, 2024.

Redevelopment Agreement:

As mentioned above in Note 7 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:

- We may not be successful at implementing our growth strategy.
- 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.
- We have experienced a decrease in 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.
- 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.
- We face competition from other real estate developers.
- We may be adversely affected by the effects of inflation
- An increase in the minimum wage mandated under Federal or Minnesota law could have a material adverse effect on our operations and financial results.
- Our success may be affected if we are not able to attract, develop and retain qualified personnel.
- 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.

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, 2024 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, 2023. 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, 2024, 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 7, 2024 announcing 2024 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, 2024, formatted in Inline eXtensible Business Reporting Language XBRL: (i) Condensed Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023, (ii) Condensed Consolidated Statements of Operations for the Three and Nine Months Ended September 30, 2024 and September 30, 2023, (iii) Condensed Consolidated Statements of Stockholders' Equity for the Three and Nine Months Ended September 30, 2024 and September 30, 2023, (iv) Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2024 and September 30, 2023, 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 8, 2024

/s/ Randall D. Sampson

Randall D. Sampson

President and Chief Executive Officer (principal executive officer)

Dated: November 8, 2024

/s/ Randy J. Dehmer

Randy J. Dehmer

Chief Financial Officer (principal financial officer, principal accounting officer)

CANTERBURY PARK
2024 Meet Analysis

Totals Meet-to-Date

Statistic:	2024	2023	VAR	% Change
Race Days ¹	54	53	1	2%
Quarter Horse Races	40	39	1	3%
Thoroughbred Races	400	397	3	1%
Total Races	440	436	4	1%

Total Attendance	256,626	262,792	(6,166)	-2%
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Handle:	2024	2023	VAR	% Change
Live On-Track	\$ 8,052,554	\$ 7,895,910	\$ 156,644	2%
Out-of-State	\$ 44,923,633	\$ 39,159,361	\$ 5,764,273	15%
All-Sources Live Racing	\$ 52,976,188	\$ 47,055,271	\$ 5,920,917	13%

Meet Averages

Statistic:	2024	2023	VAR	% Change
Daily Attendance ¹ :	4,802	4,985	(183)	-4%

Daily Handle:	2024	2023	VAR	% Change
Live On-Track ¹	\$ 151,789	\$ 152,497	\$ (708)	0%
Out-of-State ¹	\$ 846,394	\$ 749,483	\$ 96,912	13%
All-Sources Live Racing	\$ 998,183	\$ 901,980	\$ 96,203	11%

Per Race Handle:	2024	2023	VAR	% Change
Live On-Track	\$ 18,301	\$ 18,110	\$ 191	1%
Out-of-State Handle	\$ 102,099	\$ 89,815	\$ 12,284	14%
All-Sources Live Racing	\$ 120,400	\$ 107,925	\$ 12,475	12%

Purses & Starters

Purses Paid Totals	2024	2023	VAR	% Change
Thoroughbred Purses Paid ²	\$ 9,867,915	\$ 9,436,755	\$ 431,160	5%
Quarter Horse Purses Paid ²	\$ 811,999	\$ 872,092	\$ (60,093)	-7%
Total Purses Paid	\$ 10,679,914	\$ 10,308,847	\$ 371,067	4%

Purses Paid Averages	2024	2023	VAR	% Change
Purses Paid per Race Day ²	\$ 200,885	\$ 198,899	\$ 1,986	1%
Purses Paid per Starter	\$ 3,299	\$ 3,618	\$ (319)	-9%
Thoroughbred Purses Paid Per Race	\$ 24,670	\$ 23,770	\$ 900	4%
Quarter Horse Purses Paid Per Race	\$ 20,300	\$ 22,361	\$ (2,061)	-9%
All-Breed Purses Paid Per Race	\$ 24,273	\$ 23,644	\$ 628	3%

Starters & Field Statistics:	2024	2023	VAR	% Change
Unique TBs Starting at Canterbury Park	772	760	12	2%
Unique QHs Starting at Canterbury Park	101	125	(24)	-19%
Unique Horses Starting at Canterbury Park	873	885	(12)	-1%

Average Starts Per Thoroughbred	3.84	3.39	0.45	13%
Average Starts Per Quarter Horse	2.68	2.18	0.51	23%
Average Starts Per Horse	3.71	3.22	0.49	15%

Count of Horses Claimed at Canterbury Park	66	56	10	18%
Value of Horses Claimed at Canterbury Park	\$ 674,750	\$ 604,750	\$ 70,000	12%
Average Claim Price	\$ 10,223	\$ 10,799	\$ (576)	-5%

Total Thoroughbred Starters	2,966	2,577	389	15%
Average Thoroughbred Field Size	7.42	6.49	0.92	14%

Total Quarter Horse Starters	271	272	(1)	0%
Average Quarter Horse Field Size	6.78	6.97	(0.20)	-3%

Total Starters (All Breeds)	3,237	2,849	388	14%
Average Field Size (All-Breeds)	7.36	6.53	0.82	13%

Thoroughbred Dirt Races	216	215	1	0%
Thoroughbred Races Off Turf	32	14	18	129%
Total Thoroughbred Dirt Races	248	229	19	8%

Total Thoroughbred Turf Races	152	168	(16)	-10%
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Footnotes:
 1): Excludes Partial Days of Racing in Daily Calculations (6/15/24, 6/14/23, 9/16/2023).
 2): Purses Paid Calculations includes MBF Purse Supplements & Nomination/Entry/Start Fees.
 3): 7 Races Cancelled to date in 2024, 25 Races Cancelled to date in 2023.



**CANTERBURY
PARK** EST 1985

December 3, 2024

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

RE: Canterbury Park 2025 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. 2025 Televised Racing Days & Pari-Mutuel Pools (MRC 7872.0100 and MRC 7871.0010)
2. 2025 Commingled Simulcast Wagering on Televised Race Days (MRC 7871.0030)

Our televised dates request in 2025 includes 364 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 364 requested televised racing days (Exhibit B)

Your consideration is very much appreciated.

Sincerely,

A handwritten signature in black ink that reads "Amber Carlisle".

Amber Carlisle
Senior Manager of Racing Operations
Canterbury Park Entertainment, LLC

Canterbury Park 2025 Thoroughbred, Quarter Horse & Arabian Track List

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

Canterbury Park 2025 Standardbred Track List

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

2025 Televised Dates



CANTERBURY PARK EST 1985

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	

March						
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					

April						
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			

May						
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

June						
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					

July						
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		

August						
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						

September						
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				

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 2025

Jan 1	New Year's Day	May 26	Memorial Day	Sep 1	Labor Day	Nov 27	Thanksgiving Day
Jan 20	Martin Luther King Day	Jun 19	Juneteenth	Oct 13	Columbus Day	Dec 25	Christmas Day
Feb 17	Presidents' Day	Jul 4	Independence Day	Nov 11	Veterans Day		



December 3, 2024

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

RE: 2025 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 2025 Racing Season:

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. This will be Mr. Groen’s second year in this position.


Bryan Lingen 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 fifth season as the Director of Security.

Tammi Bennett will be serving her fifth season as Canterbury Park’s Mutuels Manager in addition to being Canterbury Park’s Senior Manager of Parimutuel Operations. 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 also currently serves as Senior Manager of Racing Operations.

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

Sincerely,


Amber Carlisle
Senior Manager of Racing Operations
Canterbury Park Entertainment, LLC

Item 6-

Status Reports

A. Canterbury Park

Entertainment, LLC

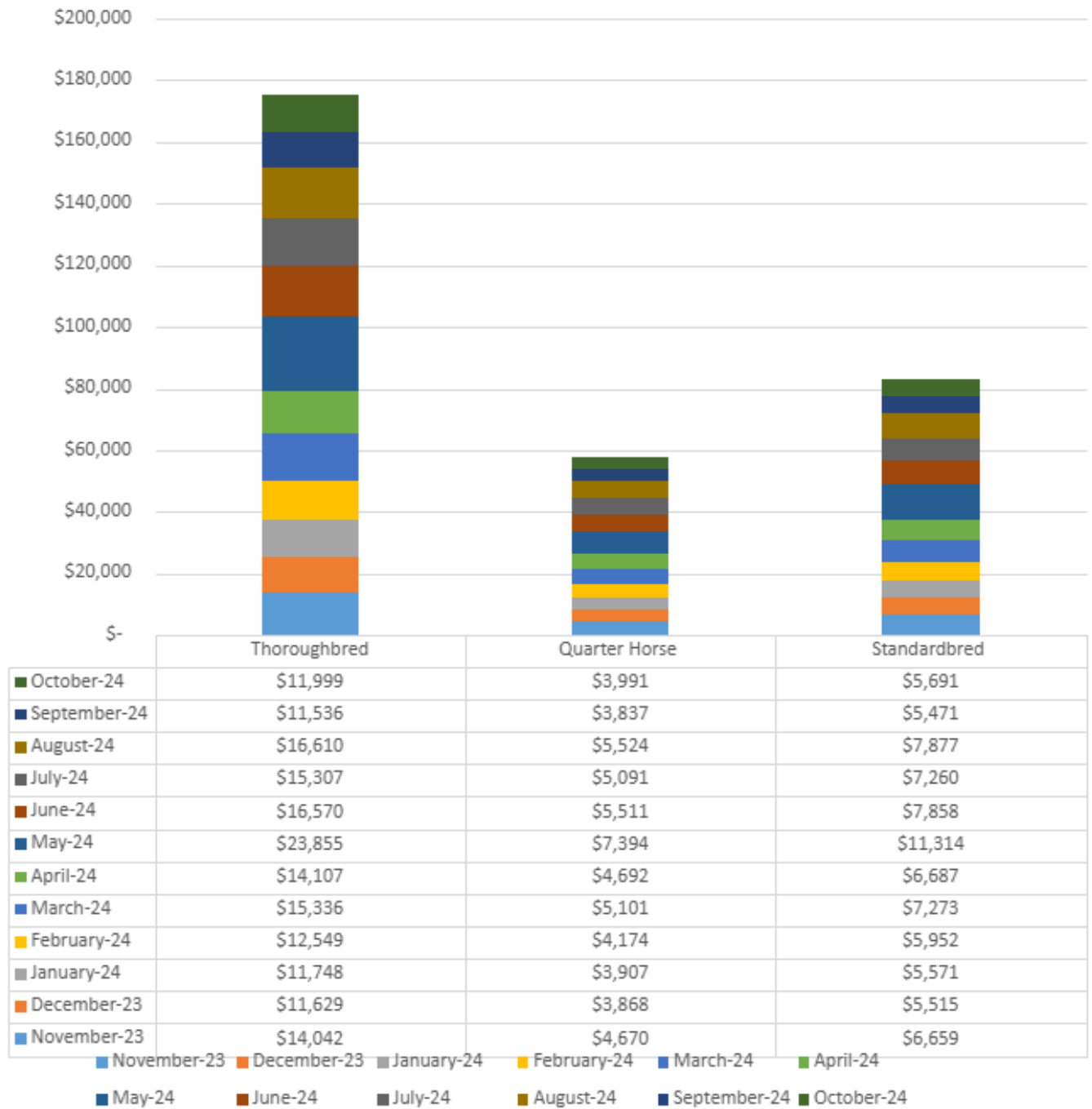
Item 6 –
Status Reports
B. Running Aces
Casino, Hotel and
Racetrack

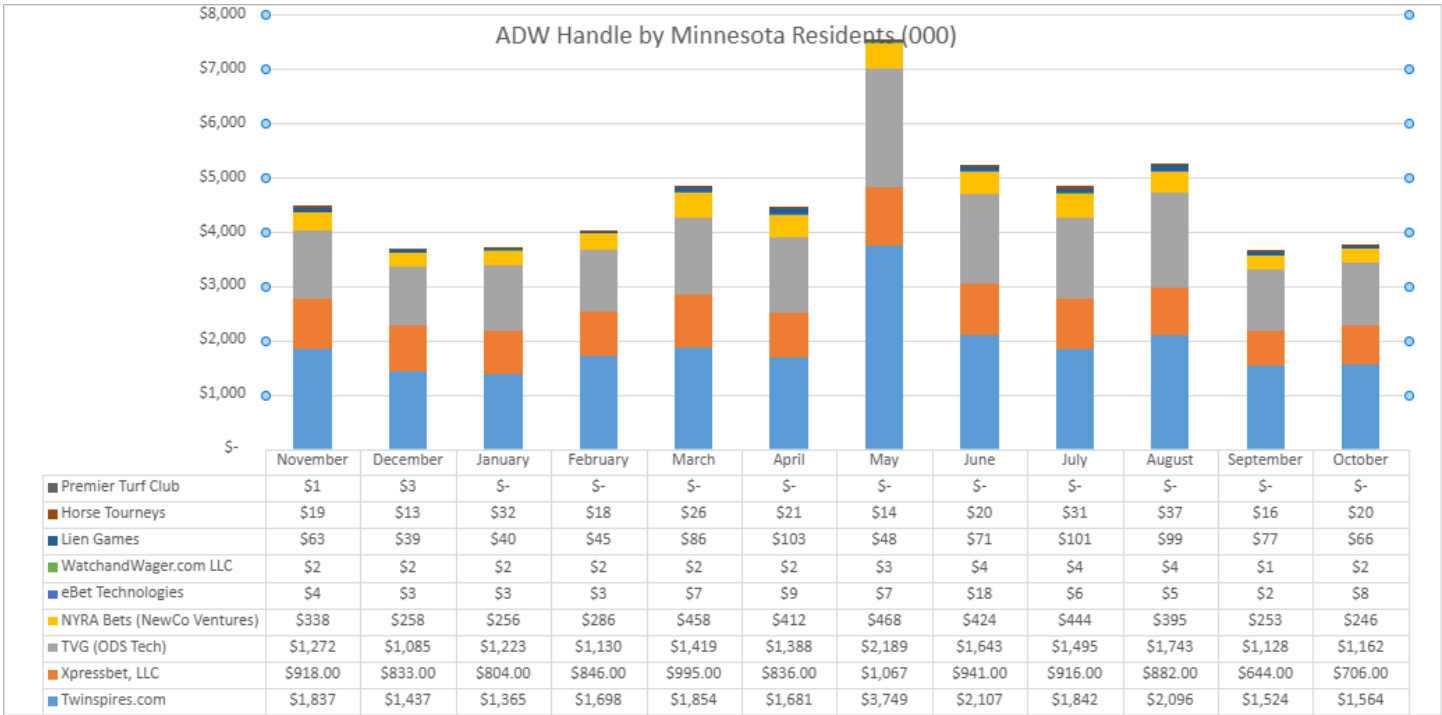
Item 7 – Executive Directors Report

- a) Contract Approvals
- b) HISA/HIWU Update
- c) Rulemaking Update
- d) Personnel Update
- e) ADW Report
- f) Licensing Report
- g) Other

Item 7-
e. ADW Report

Incremental Breeders Awards via ADW





Item 7–

f. Licensing Report

Minnesota Racing Commission

November 2024 Licensing Report

Class C Applications Processed at Canterbury Park: **226**

Class C Applications Processed at Running Aces: **308**

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

Class C Small Racing/Gaming Vendors: **0**

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

Class C Licensing Fees for November 2024: **\$14,865**

Fingerprint Fees for November 2024: **\$1,525**

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

Fines Collected during 2024 Racing Season: **\$22,850**

Item 10-
Future Meetings
Proposed Dates And
Location –
Nutrena Conference Center

Minnesota Racing Commission 2025 Proposed Meeting Dates:

Thursday January 16th

Thursday February 20th

Thursday March 20th

Thursday April 17th

Monday, May 19th

Monday June 16th

Monday July 21st

Monday August 18th

Monday September 15th

Thursday October 16th

Thursday November 20th

Thursday December 18th