

**MINUTES OF THE GOVERNING BOARD**  
**OF**  
**Pinnacle Education – Casa Grande, Inc.**

**Date:** October 13, 2023

**Location:** 2224 W. Southern Avenue, Suite 1, Tempe, AZ 85282

**Present:** Dr. Venkataramanamurthy Komanduri, Chairman of the Board via Telephone  
Muhammad Padela, Charter Holder and Board member  
Neha Malhotra, Board member

**Excused Absence:** None.

**Others Present:** None.

**I. Call to Order**

Chairman Dr. Komanduri authorized Mr. Padela to lead the meeting. The meeting was called to order at 11:00 am Arizona Time.

**II. Public Comments**

Mr. Padela asked if there were any public comments. In addition, Mr. Padela called Naresh Dhiman at the administrative office to see if there was anyone who wanted to give public comments. No one was present from the public, therefore the board moved forward.

**III. Operations Items**

**Approval Items:**

**Agenda**

The agenda was reviewed. Dr. Komanduri moved to approve the Agenda. The Motion seconded by Ms. Malhotra. Dr. Komanduri, Ms. Malhotra, and Mr. Padela all voted in favor of the motion. The motion passed 3– 0.

**Minutes**

The minutes of the July 14, 2023 meeting were reviewed. Dr. Komanduri moved to approve the minutes as written. Motion seconded by Ms. Malhotra. Dr. Komanduri, Ms. Malhotra, and Mr. Padela all voted in favor of the motion. The motion passed 3–0.

## **Review of School Finances and Annual Financial Reports**

Mr. Padela presented the Annual Financial Report. After review and discussion Dr. Komanduri moved to approve the Annual Financial Report for submission to School Finance. Motion seconded by Ms. Malhotra. Dr. Komanduri, Ms. Malhotra, and Mr. Padela all voted in favor of the motion. The motion passed 3 – 0.

The Board also authorized Mr. Padela to upload the Annual Financial Report to AzED.

### **Other Items:**

#### **ASC 842 – New Lease Accounting Standard**

Mr. Padela presented a resolution regarding ASC 842, also known as Topic 842, which is the recently enacted lease accounting standard by the Financial Accounting Standards Board (FASB). The standard outlines the methodology for entities to record the financial implications of their lease agreements. One of the pivotal alterations brought about by ASC 842 is the mandate for all entities, both public and private, reporting under the US Generally Accepted Accounting Principles (GAAP), to include the majority of their lease obligations on their balance sheets. The main objective of this standard is to enhance transparency in accounting for liabilities arising from lease agreements and to diminish the prevalence of off-balance sheet activities.

ASC 842 offers a precise definition of leases as contracts, or segments of contracts, that grant "control" over an identifiable asset for a specific period, in return for financial consideration. The term "control" bears particular significance within this definition. To establish control over an asset, a business entity must have the capacity to derive "substantially all" of the economic benefits from the asset's use and exercise authority over its utilization throughout the duration of the contract.

The resolution presented by Mr. Padela was put to a vote. After review and discussion Dr. Komanduri moved to approve the resolution ASC 842. Motion seconded by Ms. Malhotra. The outcome was unanimous, with Dr. Komanduri, Ms. Malhotra, and Mr. Padela all voting in favor of the motion. The motion passed 3 – 0.

#### **Casa Grande School Location**

Mr. Padela informed the board that at the expiry of the current temporary sharing lease with Central Arizona College for the school, we are leasing a building at 432 W Saguaro Street, Casa Grande, AZ 85122 for the Pinnacle High School – Casa Grande for next three and half years, and this lease will be expiring in June, 2027.

Board members discussed the demographic and other details of the building and agreed that this location will be good for the school. All board members unanimously approved 3-0.

**IV. Announcements:**

None.

**V. Adjournment of Meeting**

With no further business to discuss, Dr. Komanduri moved to adjourn the meeting. Ms. Malhotra seconded the motion. Dr. Komanduri, Ms. Malhotra, and Mr. Padela all voted in favor of the motion. The motion passed 3 – 0. The meeting adjourned at 11:30 am Arizona Time.

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Authorized Signatory

10-13-2023

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Date of Minutes