

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: K2 Integrity
Quarter Ending: June 30, 2025
Expected Engagement End Date: June 30, 2025

A. General Info

1. Recovery Program Participant:

New Jersey Economic Development Authority ("NJEDA").

2. Federal Funding Source (e.g. CARES, HUD, FEMA, ARPA):

American Rescue Plan Act Funds, including both SSBCI and SLFRF (CSFRF/CLFRF).

3. State Funding Source (if applicable):

N/A.

4. Deadline for Use of State or Federal Funding by Recovery Program Participant:

SSBCI: 3/15/26 for \$79M received; 80% of 79M (first tranche) must be used by 3/15/26.
SLFRF: 12/31/26.

5. Accountability Officer:

Elizabeth George-Cheniara, Director of Legal Compliance.

6. Program(s) under Review/Subject to Engagement:

Risk Assessment.

7. Brief Description, Purpose, and Rationale of Integrity Monitor Project/Program:

The Monitor conducted a risk assessment covering State Small Business Credit Initiative and American Rescue Plan Coronavirus State and Local Fiscal Recovery Funds.

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8. Amount Allocated to Program(s) under Review:

SSBCI: up to \$255M; SLFRF: \$352M+

9. Amount Expended by Recovery Program Participant to Date on Program(s) under Review:

As of 06/30/2025, SSBCI funds “committed” (excluding administrative expenses) = \$54,279,500 comprised of the following:

- \$4,612,500 expended (Angel Match)
- \$20,000,000 obligated, \$213,750 expended (Life Science Fund.)
- \$16,667,000 transferred, \$2,876,976.80 expended (NJ Capital Access Fund)
- \$10,500,000 expended (NJ CELs)
- \$2,500,000 obligated, \$76,783.35 funds obligated for three transactions (Recovery Loan Loss Reserve)

As of 06/30/2025, SLFRF funds “committed” (excluding administrative expenses) comprised of the following:

- \$0 (The Atlantic City Revitalization Program or “ACRP”.)
- \$2,052,549.13 (The Atlantic City Food Security Grants Pilot Program or “ACFSGPP”.)
- \$0 (Urban Investment Fund Grant Program)
- \$5,528,795.00 (A.R.T. Real Estate & Public Space Activation Program)

10. Amount Provided to Other State or Local Entities:

N/A.

11. Completion Status of Program (e.g. planning phase, application review, post-payment):

The assignment covers numerous projects in various stages from planning to post-payment.

12. Completion Status of Integrity Monitor Engagement:

On-going.

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B. Monitoring Activities

13. If FEMA funded, brief description of the status of the project worksheet and its support:

a) IM Response

N/A

b) Recovery Program Participant Comments

N/A

14. Description of the services provided to the Recovery Program Participant during the quarter (i.e. activities conducted, such as meetings, document review, staff training, etc.):

a) IM Response

NJEDA continues to expand programming by assigning Integrity Oversight Monitors to additional programs: Urban Investment Fund Grant Program and A.R.T. Real Estate & Public Space Activation Program. K2 Integrity met with NJEDA staff to have kick-off meetings for both programs to discuss the objectives of each program as well as expectations of the monitorship.

NJEDA assigned monitorship responsibilities to K2 Integrity for the following programs during 1Q2025: The Atlantic City Revitalization Program (“ACRP”) and The Atlantic City Food Security Grants Pilot Program (“ACFSGPP”).

K2 Integrity analyzed the following documents related to the ACFSGPP 1) MOU between the New Jersey Department of Community Affairs and NJEDA 2) Board Memo dated April 13, 2022 3) Board Memo dated October 12, 2023 and 4) Board Memo dated September 11, 2024 and developed a control testing template based on documented applicant eligibility criteria as well as noted declinations.

K2 Integrity analyzed the following documents related to the ACRP 1) MOU between the New Jersey Department of Community Affairs and

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NJEDA 2) Board Memo and Program Specifications dated December 14, 2023 3) New Jersey Economic Development Authority Reopening of Atlantic City Revitalization Grant Program (Pilot) Notice of Funding Availability, Amended February 4, 2025 and developed a control testing template based on documented applicant eligibility criteria.

NJEDA staff updated key policies within the last year, as well as underwent organizational changes. The Monitor reviewed the updated organizational chart, policies and procedures, as well as documentation related to applicant evaluation and program funding allocation processes. Additionally, the Monitor gained an understanding of the implemented risk mitigation measures concerning program administration, applicant selection, funding allocations, and evaluation criteria to ensure fairness and compliance with regulatory guidelines.

As additional programs funded by American Rescue Plan State and Local Fiscal Recovery Fund (SLFRF) fund are established, the Monitor continues to assess risk in consideration of the oversight and management of all programs, to include recently implemented programs, under the purview of federal funding to ensure that program-wide progress reporting continues to be thoughtfully considered and that programs are generally well-monitored..

b) Recovery Program Participant Comments

N/A.

15. Description to confirm appropriate data/information has been provided by the Recovery Program Participant and description of activities taken to review the project/program:

a) IM Response

The Authority has provided all requested policies and procedures. Additionally, the Authority staff is consistently available for discussion and demonstrate a commitment to the reduction of residual risk by being forthcoming and proactive with risk mitigation processes.

b) Recovery Program Participant Comments

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N/A.

16. Description of quarterly auditing activities conducted to ensure procurement compliance with terms and conditions of contracts and agreements:

a) IM Response

See response to Question 14.

b) Recovery Program Participant Comments

N/A.

17. If payment documentation in connection with the contract/program has been reviewed, provide description.

a) IM Response

The Monitor reviewed program specific policies and procedures and noted guidance on applicant selection, disbursements, loan servicing and monitoring as well as reporting, confirming the existence of key control activities regarding ethics and the financial management for awards.

The Monitor reviewed board memos detailing program specifications as well as approved program amendments detailing the reallocation of ARPA CSFRF Funds between ACRP and the Real Estate Project Fund – Property Assemblage Program (“REPF-PAP”). The amendments resulted in a reduction in funding for ACRP by \$6,181,583.97 and simultaneous increase in funding for REPF-PAP.

b) Recovery Program Participant Comments

N/A.

18. Description of quarterly activity to prevent and detect waste, fraud, and/or abuse:

a) IM Response

See response to Question 14.

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b) Recovery Program Participant Comments

N/A.

19. Details of any integrity issues/findings, including findings of waste, fraud, and/or abuse:

a) IM Response

None.

b) Recovery Program Participant Comments

N/A.

20. Details of any other items of note that have occurred in the past quarter:

a) IM Response

None.

b) Recovery Program Participant Comments

N/A.

21. Details of any actions taken to remediate waste, fraud, and/or abuse noted in past quarters:

a) IM Response

N/A.

b) Recovery Program Participant Comments

N/A.

C. Miscellaneous

22. List of hours (by employee) and expenses incurred to perform quarterly integrity monitoring review:

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a) IM Response

Bradley Sussman	0.00 hours, no expenses
Tejah Duckworth	0.00 hours, no expenses
Michael Bernstein	01.50 hours, no expenses
Bruce Archer	0.00 hours, no expenses
Yomi Togunde	1.00 hours, no expenses

b) Recovery Program Participant Comments

N/A.

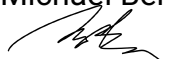
23. Add any item, issue, or comment not covered in previous sections but deemed pertinent to monitoring program:

a) IM Response

None.

b) Recovery Program Participant Comments

None.

Name of Integrity Monitor:	K2 Integrity
Name of Report Preparer:	Michael Bernstein
Signature:	
Date:	06/30/2025