

**Central Pennsylvania Oncology Group**  
**of the**  
**The Pennsylvania State University**  
**Hershey, Pennsylvania**  
**Non-Preferred Appropriation**

**For the Fiscal Year Ended June 30, 2009**





**Central Pennsylvania Oncology Group  
of the  
The Pennsylvania State University  
Hershey, Pennsylvania  
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May 2011  
**Central Pennsylvania Oncology Group**  
*Non-Preferred Appropriation*  
*For the Fiscal Year Ended June 30, 2009*

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**Introductory Section**

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**Introductory Section**

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May 18, 2011

The Honorable Tom Corbett  
Governor  
Commonwealth of Pennsylvania  
Harrisburg, Pennsylvania 17120

and

Dr. Graham Spanier  
President  
The Pennsylvania State University  
University Park, Pennsylvania 16802

Dear Governor Corbett and Dr. Spanier:

Enclosed is the independent auditor's report for the statement of activities of the Central Pennsylvania Oncology Group for the fiscal year ended June 30, 2009. You will note that our opinion is dated April 4, 2011, which is the date that our audit work closed.

Sincerely,

**JACK WAGNER**  
Auditor General

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May 2011  
**Central Pennsylvania Oncology Group**  
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*For the Fiscal Year Ended June 30, 2009*

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**Introductory Section**

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The Central Pennsylvania Oncology Group (which we will refer to also as “Group”) was formed in 1972.<sup>1</sup> It is an association of about 200 medical professionals at community hospitals and a single university center that serve cancer patients in a 34-county region of Pennsylvania. The 34-county region has a population base of approximately 3.89 million people, or about 32 percent of Pennsylvania’s population. Administrative functions of the Group are located at the Milton S. Hershey Medical Center of the Pennsylvania State University College of Medicine in Hershey, Pennsylvania. The Group describes its primary mission as “the delivery of the best cancer care in the hospitals within Central Pennsylvania”; its goals are those that follow:<sup>2</sup>

- *To improve quality of care rendered to patients with cancer in central Pennsylvania.*
- *To conduct studies on the effectiveness of various cancer treatment regimens with protocols developed and evaluated by the Group and those protocols provided by pharmaceutical grants.*
- *To improve communication and coordination of cancer treatment in central Pennsylvania.*
- *Educate professionals on current and new advances in treatment therapies and pain management through multi-hospital conferences, multi-disciplinary case review conferences or other educational activities.*
- *Continue efforts to provide area businesses, civic, social and church groups and organizations with educational programs on cancer awareness and early detection.*

During the fiscal year ended June 30, 2009, the Group received a non-preferred appropriation of \$120,320 through Act 12A of 2008.

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<sup>1</sup> Central Pennsylvania Oncology Group, “Organization Information and Activities,” undated.

<sup>2</sup> <http://pennstatehershey.org/web/cpog/home/aboutus>, accessed November 17, 2010.

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May 2011  
**Central Pennsylvania Oncology Group**  
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*For the Fiscal Year Ended June 30, 2009*

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**Financial Section**

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**Financial Section**

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## **Independent Auditor's Report**

The Honorable Tom Corbett  
Governor  
Commonwealth of Pennsylvania  
Harrisburg, Pennsylvania 17120

and

Dr. Graham Spanier  
President  
The Pennsylvania State University  
University Park, Pennsylvania 16802

Dear Governor Corbett and Dr. Spanier:

We have audited the accompanying statement of activities of the Central Pennsylvania Oncology Group for the fiscal year ended June 30, 2009. The statement of activities is the responsibility of the management of the Central Pennsylvania Oncology Group. Our responsibility is to express an opinion on the statement of activities based on our audit.

We conducted our audit in accordance with auditing principles generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards as issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of activities is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of activities. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of activities. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the accompanying statement of activities was prepared pursuant to the legislative requirements prescribed in Act 12A of 2008. The statement of activities is not intended to present fairly in conformity with accounting principles generally accepted in the United States of America the entire financial position of the Central Pennsylvania Oncology Group and the results of its operations.

The Honorable Tom Corbett  
Dr. Graham Spanier  
Page 2

In our opinion, the accompanying statement of activities presents fairly, in all material respects, the non-preferred appropriation of the Central Pennsylvania Oncology Group for the fiscal year ended June 30, 2009, pursuant to Act 12A of 2008, in conformity with accounting principles generally accepted in the United States of America.

Sincerely,

**JACK WAGNER**  
Auditor General

April 4, 2011

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May 2011  
**Central Pennsylvania Oncology Group**  
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*For the Fiscal Year Ended June 30, 2009*

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**Financial Section**

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**The Pennsylvania State University**  
**Central Pennsylvania Oncology Group**  
**Non-Preferred Appropriation**  
**Statement of Activities**

**For the Fiscal Year Ended June 30, 2009**

<b>Unrestricted Revenues</b>	
State Non-Preferred Appropriation from Act 12A of 2008	<u>\$120,320</u>
<b>Total Unrestricted Revenues</b>	120,320
<b>Expenses</b>	
Operating	<u>120,320</u>
<b>Total Expenses</b>	<u>120,320</u>
<b>Increase in Unrestricted Net Assets</b>	0
<b>Net Assets at Beginning of Year</b>	<u>0</u>
<b>Net Assets at End of Year</b>	<u><u>\$ 0</u></u>

Notes to the financial statement are an integral part of this report.

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May 2011  
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*For the Fiscal Year Ended June 30, 2009*

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**Financial Section**

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**Notes to the Financial Statement**

**1. Non-Preferred appropriation for the Central Pennsylvania Oncology Group**

Act 12A of 2008 provided a non-preferred appropriation of \$120,320 to be paid by the Pennsylvania Department of Health in quarterly payments.

The General Assembly awards non-preferred appropriations to outside entities contingent upon a two-thirds majority vote. These non-preferred appropriations are subordinate to preferred appropriations, which are for general state operations and state-owned facilities.

**2. Revenues and Expenses**

The Central Pennsylvania Oncology Group is affiliated with the Milton S. Hershey Medical Center of the Pennsylvania State University College of Medicine. The statement of activities reflects only monies related to the state non-preferred appropriation and does not reflect the financial position of the Central Pennsylvania Oncology Group or the Milton S. Hershey Medical Center as a whole and the results of its operations. Receipts related to the non-preferred appropriation equaled the expenses.

**3. Basis of Accounting**

The statement of activities has been prepared on the accrual basis of accounting. Under this basis, revenues are recognized when earned and expenses are recognized when the obligation is incurred.

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*For the Fiscal Year Ended June 30, 2009*

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**Audit Report Distribution List**

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**Audit Report Distribution List**

The Honorable Edward G. Rendell  
Governor

The Honorable Robert M. McCord  
State Treasurer  
Pennsylvania Treasury Department

The Honorable Eli N. Avila, MD, JD, MPH, FCLM  
Secretary of Health  
Pennsylvania Department of Health

John Kaschak  
Director of Audits  
Office of Comptroller Operations  
Office of the Budget

**The Pennsylvania State University**  
Dr. Graham Spanier  
President

Joseph J. Doncsecz  
Corporate Controller

Board of Trustees

*This report is a matter of public record and is accessible at [www.auditorgen.state.pa.us](http://www.auditorgen.state.pa.us) or by contacting the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, Pennsylvania 17120. Telephone: 717-787-1381.*