

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

For the Fiscal Year Ended June 30, 2008



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Central Pennsylvania Oncology Group
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Central Pennsylvania Oncology Group
Non-Preferred Appropriation
For the Fiscal Year Ended June 30, 2008

Introductory Section

Introductory Section

March 8, 2010

The Honorable Edward Rendell and
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

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

Dear Governor Rendell and Dr. Spanier:

Enclosed is the independent auditor's report for the statement of financial position and the statement of activities of the Central Pennsylvania Oncology Group for the fiscal year ended June 30, 2008. You will note that our opinion is dated February 22, 2010, which is the date that our audit work closed.

Sincerely,

JACK WAGNER
Auditor General

Central Pennsylvania Oncology Group
Non-Preferred Appropriation
For the Fiscal Year Ended June 30, 2008

Introductory Section

The Central Pennsylvania Oncology Group, formed in 1972,¹ is an association of about 200 medical professionals at community hospitals and a single university center that serves cancer patients in a 34-county region of Pennsylvania. The 34-county region serves a population base of approximately 3.89 million people, or about 32 percent of the 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” and its goals, as follows:²

- *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, 2008, the group received a non-preferred appropriation of \$130,000 through Act 27A of 2007.

¹ Central Pennsylvania Oncology Group, “Organization Information and Activities,” undated.

² <http://pennstatehershey.org/web/cpog/home/aboutus>, accessed February 10, 2010.

Central Pennsylvania Oncology Group
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For the Fiscal Year Ended June 30, 2008

Financial Section

Financial Section

The Honorable Edward Rendell
Dr. Graham Spanier
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In our opinion, the accompanying statement of financial position and statement of activities present fairly, in all material respects, the non-preferred appropriation of the Central Pennsylvania Oncology Group for the fiscal year ended June 30, 2008, pursuant to Act 27A of 2007, in conformity with accounting principles generally accepted in the United States of America.

Sincerely,

JACK WAGNER
Auditor General

February 22, 2010

Central Pennsylvania Oncology Group
Non-Preferred Appropriation
For the Fiscal Year Ended June 30, 2008

Financial Section

The Pennsylvania State University
Central Pennsylvania Oncology Group
Non-Preferred Appropriation
Statement of Financial Position

For the Fiscal Year Ended June 30, 2008

Assets	
Cash and Cash Equivalents	<u>\$900</u>
Total Assets	<u>900</u>
Liabilities	
Refundable Advances	<u>900</u>
Total Liabilities	<u>900</u>
Net Assets	
Unrestricted Net Assets	<u>0</u>
Total Net Assets	<u>0</u>
Total Liabilities And Net Assets	<u>\$900</u>

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

Central Pennsylvania Oncology Group
Non-Preferred Appropriation
For the Fiscal Year Ended June 30, 2008

Financial Section

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

For the Fiscal Year Ended June 30, 2008

Unrestricted Revenues	
State Appropriation from Act 27A of 2007	<u>\$129,100</u>
Total Unrestricted Revenues	129,100
Expenses	
Personnel	81,658
Operating	<u>47,442</u>
Total Expenses	<u>129,100</u>
Increase in Unrestricted Net Assets	0
Net Assets at Beginning of Year	<u>0</u>
Net Assets at End of Year	<u><u>\$ 0</u></u>

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

Central Pennsylvania Oncology Group
Non-Preferred Appropriation
For the Fiscal Year Ended June 30, 2008

Financial Section

Notes to the Financial Statement

1. Appropriation for the Central Pennsylvania Oncology Group

Act 27A of 2007, provided a non-preferred appropriation of \$130,000 to be paid by the Pennsylvania Department of Health in equal quarterly payments.

The General Assembly awards non-preferred appropriations or grants to outside entities contingent upon a two-thirds majority vote. These grants 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 financial position and statement of activities reflect only monies related to the state appropriation and do not reflect the financial position of the Central Pennsylvania Oncology Group or the Milton S. Hershey Medical Center as a whole. Receipts related to the appropriation exceeded expenses by \$900. The Pennsylvania State University reimbursed the Commonwealth of Pennsylvania Department of Health the excess receipts on November 27, 2009.

3. Basis of Accounting

The statement of financial position and the statement of activities have 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.

Central Pennsylvania Oncology Group
Non-Preferred Appropriation
For the Fiscal Year Ended June 30, 2008

Audit Report Distribution List

Audit Report Distribution List

The Honorable Edward G. Rendell Governor	The Honorable Dwight Evans Chair House Appropriations Committee Pennsylvania House of Representatives
The Honorable Patricia H. Vance Chair Public Health and Welfare Committee Senate of Pennsylvania	The Honorable William F. Adolph, Jr. Republican Chair House Appropriations Committee Pennsylvania House of Representatives
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