

**DIGNITY HEALTH AND
SUBORDINATE
CORPORATIONS**

**Consolidated Financial Statements as of
and for the Years Ended June 30, 2016 and 2015
and Independent Auditors' Report**

DIGNITY HEALTH AND SUBORDINATE CORPORATIONS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Dignity Health
San Francisco, California

We have audited the accompanying consolidated financial statements of Dignity Health and Subordinate Corporations ("Dignity Health"), which comprise the consolidated balance sheets as of June 30, 2016 and 2015, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Dignity Health's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dignity Health's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

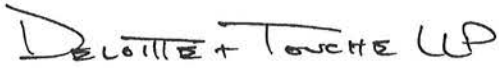
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dignity Health as of June 30, 2016 and 2015, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Un-sponsored Community Benefit Expense Information

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The un-sponsored community benefit expense information in Note 24 is presented for the purpose of additional analysis and is not a required part of the financial statements. This supplementary information is the responsibility of Dignity Health's management. Such information has not been subjected to the auditing procedures applied in our audits of the financial statements and, accordingly it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

Handwritten signature of Deloitte + Touche LLP in black ink.

September 21, 2016

25. DIGNITY HEALTH, SUBORDINATE CORPORATIONS AND SUBSIDIARIES

Following is a list of subordinate corporations and subsidiaries that are included in the accompanying consolidated financial statements for 2016. Unless otherwise indicated, such entities are nonprofit corporations. The Obligated Group Members are denoted by an asterisk (*). Unless otherwise indicated, subsidiaries are not Obligated Group Members.

Dignity Health*	Glendale Memorial Health Foundation
Operating dba's of Dignity Health	Marian Regional Medical Center Foundation
Arroyo Grande Community Hospital	Mercy Foundation, Bakersfield
California Hospital Medical Center – Los Angeles	Mercy Medical Center Merced Foundation
Chandler Regional Medical Center	Northridge Hospital Foundation
Dominican Hospital	St. Bernardine Medical Center Foundation
French Hospital Medical Center	St. Francis Foundation of Santa Barbara
Glendale Memorial Hospital and Health Center	St. John's Healthcare Foundation (Oxnard and Pleasant Valley)
Marian Regional Medical Center	St. Joseph's Foundation (Phoenix)
Marian Regional Medical Center West	St. Joseph's Foundation of San Joaquin
Mercy General Hospital	St. Mary Medical Center Foundation
Mercy Gilbert Medical Center	St. Mary's Medical Center Foundation
Mercy Hospital (Bakersfield)	St. Rose Dominican Health Foundation
Mercy Hospital of Folsom	The Congenital Heart Foundation
Mercy Medical Center (Merced)	CHMC Hope Street Family Center Property Management, LLC
Mercy Medical Center Mt. Shasta	DHRT Holdings, LLC
Mercy Medical Center Redding	Dignity Health Holding Corporation (for-profit)
Mercy San Juan Medical Center	Dignity Health International, LLC
Mercy Southwest Hospital	Dignity Health Management Services Organization, LLC
Methodist Hospital of Sacramento	Dignity Health Medical Group Nevada, LLC
Northridge Hospital Medical Center	Dignity Health Nevada Imaging Company LLC
Sequoia Hospital	Dignity Health Provider Resources, Inc. (for-profit)
St. Bernardine Medical Center	Dignity Health Provider Resources, LLC
St. Elizabeth Community Hospital	Dignity Health Purchasing Network, LLC
St. John's Pleasant Valley Hospital	Dominican Health Services
St. John's Regional Medical Center	Dominican Oaks Corporation
St. Joseph's Hospital and Medical Center	Golden Umbrella
St. Joseph's Westgate Medical Center	Health Services of the Pacific Central Coast, Inc. (for-profit)
St. Mary Medical Center	Inland Health Organization of Southern California (for-profit)
St. Mary's Medical Center	Management Services Organization of Santa Maria, Inc. (for-profit)
St. Rose Dominican Hospital Rose de Lima Campus	Mark Twain Medical Center
St. Rose Dominican Hospital San Martin Campus	North State Quality Care Network, LLC
St. Rose Dominican Hospital Siena Campus	Pacific Central Coast Health Centers
Woodland Memorial Hospital	Sequoia Quality Care Network, LLC
Dignity Health Hospital and Professional Liability Self-Insurance Trust (California trust)	Shasta Senior Nutrition Program
Dignity Health Workers' Compensation Self-Insurance Trust (California trust)	Southern California Integrated Care Network, LLC
Dignity Health Insurance Ltd. (Cayman Island corporation)	St. Francis Foundation, LLC
Bakersfield Memorial Hospital*	St. John's Regional Imaging Center, LLC
Dignity Health Medical Foundation*	St. Mary Catholic Housing Corporation
Community Hospital of San Bernardino*	St. Mary Health Ventures, Inc. (for-profit)
Mercy McMahon Terrace*	St. Mary Professional Building, Inc.
Saint Francis Memorial Hospital*	St. Rose Quality Care Network, LLC
Sierra Nevada Memorial-Miners Hospital*	TrinityCare, LLC
Arroyo Grande Community Hospital Foundation	TrinityCare Infusion Services (for-profit)
California Hospital Medical Center Foundation	U.S. HealthWorks, Inc. (for-profit)
Community Hospital of San Bernardino Foundation	U.S. HealthWorks Holding Company, Inc. (for-profit)
Dignity Health Foundation	USHW Holdings Corporation (for-profit)
Dignity Health Foundation East Valley	USHW state subsidiaries (for-profit)
Dominican Hospital Foundation	Valley Integrated Provider Network, LLC
French Hospital Medical Center Foundation	

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