DIGNITY HEALTH AND
SUBORDINATE
CORPORATIONS

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

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*
Operating dba’s of Dignity Health
Arroyo Grande Community Hospital
California Hospital Medical Center – Los Angeles
Chandler Regional Medical Center
Dominican Hospital
French Hospital Medical Center
Glendale Memorial Hospital and Health Center
Marin Regional Medical Center
Marian Regional Medical Center West
Mercy General Hospital
Mercy Gilbert Medical Center
Mercy Hospital (Bakersfield)
Mercy Hospital of Paso Robles
Mercy Medical Center (Merced)
Mercy Medical Center Mt. Shasta
Mercy Medical Center Redding
Mercy San Juan Medical Center
Mercy Southwest Hospital
Methodist Hospital of Sacramento
Northridge Hospital Medical Center
Sequoia Hospital
St. Bernardine Medical Center
St. Elizabeth Community Hospital
St. John’s Pleasant Valley Hospital
St. John’s Regional Medical Center
St. Joseph’s Hospital and Medical Center
St. Joseph’s Westgate Medical Center
St. Mary Medical Center
St. Mary’s Medical Center
St. Rose Dominican Hospital Rose de Lima Campus
St. Rose Dominican Hospital San Martin Campus
St. Rose Dominican Hospital Sierra Campus
Woodland Memorial Hospital
Dignity Health Hospital and Professional Liability Self-Insurance Trust (California trust)
Dignity Health Workers’ Compensation Self-Insurance Trust (California trust)
Dignity Health Insurance Ltd. (Cayman Island corporation)
Bakersfield Memorial Hospital*
Dignity Health Medical Foundation*
Community Hospital of San Bernardino*
Mercy McMahon Terrace*
Saint Francis Memorial Hospital*
Sierra Nevada Memorial-Miners Hospital*
Arroyo Grande Community Hospital Foundation
California Hospital Medical Center Foundation
Community Hospital of San Bernardino Foundation
Dignity Health Foundation
Dignity Health Foundation East Valley
Dominican Hospital Foundation
French Hospital Medical Center Foundation

Glendale Memorial Health Foundation
Marian Regional Medical Center Foundation
Mercy Foundation, Bakersfield
Mercy Medical Center Merced Foundation
Northridge Hospital Foundation
St. Bernardine Medical Center Foundation
St. Francis Foundation of Santa Barbara
St. John’s Healthcare Foundation (Oxnard and Pleasant Valley)
St. Joseph’s Foundation (Phoenix)
St. Joseph’s Foundation of San Joaquin
St. Mary Medical Center Foundation
St. Mary’s Medical Center Foundation
St. Rose Dominican Health Foundation
The Congenital Heart Foundation
CHMC Hope Street Family Center Property Management, LLC
DHRT Holdings, LLC
Dignity Health Holding Corporation (for-profit)
Dignity Health International, LLC
Dignity Health Management Services Organization, LLC
Dignity Health Medical Group Nevada, LLC
Dignity Health Nevada Imaging Company LLC
Dignity Health Provider Resources, Inc. (for-profit)
Dignity Health Provider Resources, LLC
Dignity Health Purchasing Network, LLC
Dominican Health Services
Dominican Oaks Corporation
Golden Umbrellas
Health Services of the Pacific Central Coast, Inc. (for-profit)
Inland Health Organization of Southern California (for-profit)
Management Services Organization of Santa Maria, Inc.
Mark Twain Medical Center
North State Quality Care Network, LLC
Pacific Central Coast Health Centers
Sequoia Quality Care Network, LLC
Shasta Senior Nutrition Program
Southern California Integrated Care Network, LLC
St. Francis Foundation, LLC
St. John’s Regional Imaging Center, LLC
St. Mary Catholic Housing Corporation
St. Mary Health Ventures, Inc. (for-profit)
St. Mary Professional Building, Inc.
St. Rose Quality Care Network, LLC
TrinityCare, LLC
TrinityCare Infusion Services (for-profit)
U.S. HealthWorks, Inc. (for-profit)
U.S. HealthWorks Holding Company, Inc. (for-profit)
USHW Holdings Corporation (for-profit)
USHW state subsidiaries (for-profit)
Valley Integrated Provider Network, LLC