

PINNACLE WEST CAPITAL CORP

Form U-3A-2

February 28, 2002

Adopted November 9, 1939

File No. 69-306

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

FORM U-3A-2

STATEMENT BY HOLDING COMPANY
CLAIMING EXEMPTION UNDER RULE U-3A-2
FROM THE PROVISIONS OF THE
PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

To Be Filed Annually Prior to March 1

Pinnacle West Capital Corporation
(Name of Company)

hereby files with the Securities and Exchange Commission, pursuant to Rule 2, its statement claiming exemption as a holding company from the provisions of the Public Utility Holding Company Act of 1935, and submits the following information:

1. NAME, STATE OF ORGANIZATION, LOCATION AND NATURE OF BUSINESS OF CLAIMANT AND EVERY SUBSIDIARY THEREOF, OTHER THAN ANY EXEMPT WHOLESALE GENERATOR (EWG) OR FOREIGN UTILITY COMPANY IN WHICH CLAIMANT DIRECTLY OR INDIRECTLY HOLDS AN INTEREST.

Pinnacle West Capital Corporation ("Claimant"), having been incorporated on February 20, 1985 under the laws of the State of Arizona, and having its principal executive offices at 400 North Fifth Street, Phoenix, Arizona 85004, was organized principally to acquire and hold securities of other corporations for investment purposes. The following are the subsidiaries of the Claimant:

a. Arizona Public Service Company ("APS" or the "Company"), is engaged principally in serving electricity in the State of Arizona. Incorporated in 1920 under the laws of the State of Arizona and having its principal executive offices at 400 North Fifth Street, Phoenix, Arizona 85004, APS became a subsidiary of the Claimant pursuant to a corporate restructuring plan approved by the Company's shareholders on April 18, 1985.

(1) AXIOM Power Solutions, Inc. ("AXIOM") -- an Arizona corporation having been incorporated on October 29, 1996 and having its principal executive offices at 400 E. Van Buren, Phoenix, Arizona 85004, was organized primarily to sell security and energy management products and services. AXIOM is a wholly-owned subsidiary of APS.

(2) Bixco, Inc. ("Bixco") -- an Arizona corporation having been incorporated on June 4, 1971 and having its principal executive offices at 400 North Fifth Street, Phoenix, Arizona 85004, was organized primarily to conduct exploration activities for energy resources and other valuable minerals. Subsequent to the sale of its oil and natural gas properties in 1981, Bixco has been inactive. Bixco is a wholly-owned subsidiary of APS.

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(3) PWENewco, Inc. ("PWENewco") - an Arizona corporation having been incorporated on January 30, 2001 and having its principal executive offices at 400 North Fifth Street, Phoenix, Arizona 85004, was organized primarily to own real and personal property. PWENewco is a wholly-owned subsidiary of APS.

b. APS Energy Services Company, Inc. ("APSES") -- an Arizona corporation having been incorporated on November 6, 1998 and having its principal executive offices at 400 E. Van Buren, Phoenix, Arizona 85004, was organized primarily to sell energy, products and services. APSES is a wholly-owned subsidiary of the Claimant.

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c. SunCor Development Company ("SunCor") - an Arizona corporation having been incorporated on June 30, 1965 and having its principal executive offices at 3838 North Central Avenue, Suite 1500, Phoenix, Arizona 85012, is a wholly-owned subsidiary of Claimant engaged primarily in the owning, holding and development of real property.

(1) SunCor Golf, Inc. ("SunCor Golf") (previously named "SunCor Resort & Golf Management, Inc." and "SunCor Farms, Inc.") -- an Arizona corporation having been incorporated on December 31, 1986 and having its principal executive offices at 3838 North Central Avenue, Suite 1500, Phoenix, Arizona 85012, operates and manages golf, food and beverage for the Coral Canyon Golf Course, Sedona Golf Resort, StoneRidge Golf Club, SunRidge Canyon Golf Club, Sanctuary Golf Club at West World and Palm Valley Golf Club. SunCor Golf is a wholly-owned subsidiary of SunCor.

(2) Litchfield Park Service Company ("LPSCO") -- an Arizona corporation having been incorporated on September 21, 1954 and having its principal executive offices at 111 West Wigwam Boulevard, Suite B, Litchfield Park, Arizona 85340, is a regulated public utility engaged in providing water and sewer services to commercial and residential customers. LPSCO became a wholly-owned subsidiary of SunCor on December 31, 1986.

(3) Golden Heritage Homes, Inc. ("Golden Heritage Homes") -- (previously named "SunCor Homes, Inc.", "LGR, Inc." and "WGP Realty, Inc.") an Arizona corporation having been incorporated on May 14, 1986 and having its principal executive offices at 7025 East Greenway Parkway, Suite 100, Scottsdale, Arizona 85254, builds and sells single family residential real property. Golden Heritage Homes is a wholly-owned subsidiary of SunCor.

(4) Golden Heritage Construction, Inc. ("GH Construction") -- an Arizona corporation having been incorporated on December 30, 1993 and having its principal executive offices at 3838 North Central Avenue, Suite 1500, Phoenix, Arizona 85012, was organized to serve as a general residential contractor. GH Construction became a wholly-owned subsidiary of Golden Heritage Homes, Inc. on January 1, 1996.

(5) SCM, Inc. ("SCM") -- an Arizona corporation having been incorporated on May 14, 1991 and having its principal executive offices at 3838 North Central Avenue, Suite 1500, Phoenix,

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Arizona 85012, was organized to participate in real estate joint ventures and other real estate related activities. SCM is a

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wholly-owned subsidiary of SunCor.

(6) Golf de Mexico, S.A. DE C.V. ("Golf de Mexico") -- a Mexican variable capital corporation having been incorporated on February 8, 1992 in Tijuana, Baja California, Mexico, and having its principal executive offices at 3838 North Central Avenue, Suite 1500, Phoenix, Arizona 85012, was organized to operate and manage the Real del Mar Golf Course in Mexico. Golf de Mexico has been inactive since 1997.

(7) SunCor Realty & Management Company ("SunCor Realty") -- (previously named Russell Ranch Development Company) an Arizona corporation having been incorporated on April 1, 1994 and having its principal executive offices at 3838 North Central Avenue, Suite 1500, Phoenix, Arizona 85012 was organized to participate in real estate management and other real estate related activities. SunCor Realty is a wholly-owned subsidiary of SunCor.

(8) Palm Valley Golf Club, Inc. ("Palm Valley Golf") -- an Arizona corporation having been incorporated on January 23, 1996 and having its principal executive offices at 3838 North Central Avenue, Suite 1500, Phoenix, Arizona 85012, was organized to hold title to the Palm Valley Golf Course. Palm Valley Golf is a wholly-owned subsidiary of SunCor.

(9) Rancho Viejo de Santa Fe, Inc. ("Rancho Viejo") -- a New Mexico corporation having been incorporated on March 18, 1996 and having its principal executive offices at 1590-B Pacheco Street, Santa Fe, New Mexico 87505, was organized to engage in real estate development in New Mexico. Rancho Viejo is a wholly-owned subsidiary of SunCor.

(10) Ranchland Utility Company ("Ranchland") -- a New Mexico corporation having been incorporated on September 5, 1997 and having its principal executive offices at 1590-B Pacheco Street, Santa Fe, New Mexico 87505 is a waste water utility. Ranchland is a wholly-owned subsidiary of Rancho Viejo.

d. El Dorado Investment Company -- an Arizona corporation having been incorporated on July 27, 1983 and having its principal executive offices at 400 East Van Buren, Suite 800, Phoenix, Arizona 85004, is a wholly-owned subsidiary of Claimant engaged primarily in the

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acquisition and holding of stocks and securities of other companies for investment purposes.

e. Pinnacle West Energy Corporation ("PWEC") - an Arizona corporation having been incorporated on September 27, 1999, and having its principal executive offices at 400 North Fifth Street, Phoenix, Arizona 85004, was organized primarily for the development, production and sale of wholesale energy. PWEC is a wholly-owned subsidiary of the Claimant.

2. A BRIEF DESCRIPTION OF THE PROPERTIES OF CLAIMANT AND EACH OF ITS SUBSIDIARY PUBLIC UTILITY COMPANIES USED FOR THE GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC ENERGY FOR SALE, OR FOR THE PRODUCTION, TRANSMISSION AND DISTRIBUTION OF NATURAL OR MANUFACTURED GAS, INDICATING THE LOCATION OF PRINCIPAL GENERATING PLANTS, TRANSMISSION LINES, PRODUCING FIELDS, GAS MANUFACTURING PLANTS AND ELECTRIC AND GAS DISTRIBUTION FACILITIES, INCLUDING ALL SUCH PROPERTIES WHICH ARE OUTSIDE THE STATE IN WHICH CLAIMANT AND ITS SUBSIDIARIES ARE ORGANIZED AND ALL TRANSMISSION OR PIPELINES WHICH DELIVER OR RECEIVE ELECTRIC ENERGY OR GAS AT THE BORDERS OF SUCH STATE.

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Neither the Claimant nor any of its subsidiaries own property used for the production, transmission and distribution of natural or manufactured gas. APS and PWEC, each a "public utility company" as that term is defined in the Public Utility Holding Company Act of 1935, are the only two of Claimant's subsidiaries that own property used for the generation, transmission or distribution of electric energy for sale.

Exhibit D attached hereto shows the location of (i) APS' major generating plants (including those owned jointly with others), principal transmission lines (including those operated for others) and interconnections of transmission lines with out-of-state utilities at state lines; and (ii) PWEC's major generating plant. All of such facilities, except the Four Corners Generating Station ("Four Corners"), and all of APS' distribution facilities, are located within the State of Arizona. Four Corners is a mine-mouth power plant, located in the northwest corner of New Mexico, near the city of Farmington, approximately 40 miles east of the Arizona-New Mexico border.

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Claimant's present generating facilities have an accredited capacity aggregating 4,094,885 kilowatts, comprised as follows:

APS

APS' present generating facilities have an accredited capacity as follows:

	Capacity (kW)

Coal:	
Units 1, 2, and 3 at Four Corners.....	560,000
15% owned Units 4 and 5 at Four Corners.....	222,000
Units 1, 2, and 3 at Cholla Plant.....	615,000
14% owned Units 1, 2, and 3 at the Navajo Plant.....	315,000

	1,712,000

Gas or Oil:	
Two steam units at Ocotillo and two steam units at Saguaro...	430,000 (1)
Eleven combustion turbine units.....	493,000
Three combined cycle units.....	255,000

	1,178,000

Nuclear:	
29.1% owned or leased Units 1, 2, and 3 at Palo Verde.....	1,086,300

Hydro and Solar.....	6,585

PINNACLE WEST ENERGY

PWEC's present generating facility has an accredited capacity as follows:

Gas or Oil:	
One combined cycle unit.....	112,000

Total	4,094,885

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(1) West Phoenix steam units (108,300 kW) are currently mothballed.

APS' transmission facilities consist of approximately 4,908 pole miles of overhead lines and approximately 20 miles of underground lines, all of which are located within the State of Arizona. APS' distribution facilities consist of approximately 11,888 pole miles of overhead lines and approximately 11,834 miles of underground lines, all of which are located within the State of Arizona.

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3. THE FOLLOWING INFORMATION FOR THE LAST CALENDAR YEAR WITH RESPECT TO CLAIMANT AND EACH OF ITS SUBSIDIARY PUBLIC UTILITY COMPANIES:

(DATA IS NOT MAINTAINED IN A FORMAT IDENTIFYING THE STATE IN WHICH THE SALES AND PURCHASES ARE MADE OR THE AMOUNT OF THEIR ASSOCIATED REVENUES OR EXPENSES.)

A. NUMBER OF KWH OF ELECTRIC ENERGY SOLD (AT RETAIL OR WHOLESALE), AND MCF. OF NATURAL OR MANUFACTURED GAS DISTRIBUTED AT RETAIL.

43,606,848,000 kwh of electric energy sold at wholesale or retail

0 Mcf. of natural or manufactured gas distributed at wholesale or retail

B. NUMBER OF KWH OF ELECTRIC ENERGY AND MCF. OF NATURAL OR MANUFACTURED GAS DISTRIBUTED AT RETAIL OUTSIDE THE STATE IN WHICH EACH SUCH COMPANY IS ORGANIZED.

65,235,000 kwh of electric energy was distributed at retail outside Arizona

0 Mcf. of natural or manufactured gas distributed at retail outside Arizona

C. NUMBER OF KWH OF ELECTRIC ENERGY AND MCF. OF NATURAL OR MANUFACTURED GAS SOLD AT WHOLESALE OUTSIDE THE STATE IN WHICH EACH SUCH COMPANY IS ORGANIZED, OR AT THE STATE LINE.

2,373,985,000 kwh of electric energy was sold at wholesale outside Arizona or at state line (excluding power marketing activities).

3,358,145 Mcf. of natural or manufactured gas sold at wholesale outside Arizona or at state line (excluding power marketing activities).

D. NUMBER OF KWH OF ELECTRIC ENERGY AND MCF. OF NATURAL OR MANUFACTURED GAS PURCHASED OUTSIDE THE STATE IN WHICH EACH SUCH COMPANY IS ORGANIZED OR AT THE STATE LINE.

1,092,701,000 kwh of electric energy was purchased outside Arizona or at state line (excluding power marketing activities).

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32,180,580 Mcf. of natural or manufactured gas purchased outside Arizona or at state line (excluding power marketing activities).

4. THE FOLLOWING INFORMATION FOR THE REPORTING PERIOD WITH RESPECT TO CLAIMANT AND EACH INTEREST IT HOLDS DIRECTLY OR INDIRECTLY IN AN EWG OR A FOREIGN UTILITY COMPANY, STATING MONETARY AMOUNTS IN UNITED STATES DOLLARS:

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The Claimant holds no interest, direct or indirect, in an EWG or a foreign utility company.

A. NAME, LOCATION, BUSINESS ADDRESS AND DESCRIPTION OF THE FACILITIES USED BY THE EWG OR FOREIGN UTILITY COMPANY FOR THE GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC ENERGY FOR SALE OR FOR THE DISTRIBUTION AT RETAIL OF NATURAL OR MANUFACTURED GAS.

Not applicable.

B. NAME OF EACH SYSTEM COMPANY THAT HOLDS AN INTEREST IN SUCH EWG OR FOREIGN UTILITY COMPANY; AND DESCRIPTION OF THE INTEREST HELD.

Not applicable.

C. TYPE AND AMOUNT OF CAPITAL INVESTED, DIRECTLY OR INDIRECTLY, BY THE HOLDING COMPANY CLAIMING EXEMPTION; ANY DIRECT OR INDIRECT GUARANTEE OF THE SECURITY OF THE EWG OR FOREIGN UTILITY COMPANY BY THE HOLDING COMPANY CLAIMING EXEMPTION; AND ANY DEBT OR OTHER FINANCIAL OBLIGATION FOR WHICH THERE IS RECOURSE, DIRECTLY OR INDIRECTLY, TO THE HOLDING COMPANY CLAIMING EXEMPTION OR ANOTHER SYSTEM COMPANY, OTHER THAN THE EWG OR FOREIGN UTILITY COMPANY.

Not applicable.

D. CAPITALIZATION AND EARNINGS OF THE EWG OR FOREIGN UTILITY COMPANY DURING THE REPORTING PERIOD.

Not applicable.

E. IDENTIFY ANY SERVICE, SALES OR CONSTRUCTION CONTRACT(S) BETWEEN THE EWG OR FOREIGN UTILITY COMPANY AND A SYSTEM COMPANY, AND DESCRIBE THE SERVICES TO BE RENDERED OR GOODS SOLD AND FEES OR REVENUES UNDER SUCH AGREEMENT(S).

Not applicable.

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EXHIBIT A

A CONSOLIDATING STATEMENT OF INCOME AND SURPLUS OF THE CLAIMANT AND ITS SUBSIDIARY COMPANIES FOR THE LAST CALENDAR YEAR, TOGETHER WITH A CONSOLIDATING BALANCE SHEET OF CLAIMANT AND ITS SUBSIDIARY COMPANIES AS OF THE CLOSE OF SUCH CALENDAR YEAR.

Exhibit A hereto includes consolidating statements of income and consolidating balance sheets for the Claimant and the following of its subsidiaries: Arizona Public Service Company, SunCor Development Company, El Dorado Investment Company, APS Energy Services Company, Inc. and Pinnacle West Energy Corporation. Subsidiaries have been consolidated for financial reporting purposes in accordance with Statement of Financial Accounting Standards No. 94, CONSOLIDATION OF ALL MAJORITY-OWNED SUBSIDIARIES. Also included are consolidating statements of income and consolidating balance sheets for SunCor Development Company and its subsidiaries.

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EXHIBIT B

AN ORGANIZATIONAL CHART SHOWING THE RELATIONSHIP OF EACH EWG OR FOREIGN

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UTILITY COMPANY TO ASSOCIATE COMPANIES IN THE HOLDING-COMPANY SYSTEM.

Not applicable.

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EXHIBIT C

In accordance with Item 304 of Regulation S-T of the Securities Exchange Act of 1934, APS' Service Territory map contained as Exhibit C to this Form U-3A-2 is a map of the State of Arizona showing APS' service area, the location of its major power plants and principal transmission lines, the location of Pinnacle West Energy's power plant and the location of transmission lines operated by APS for others. APS' major power plants shown on such map are the Navajo Generating Station located in Coconino County, Arizona; the Four Corners Power Plant located near Farmington, New Mexico; the Cholla Power Plant, located in Navajo County, Arizona; the Yucca Power Plant, located near Yuma, Arizona; and the Palo Verde Nuclear Generating Station, located about 55 miles west of Phoenix, Arizona (each of which plants is reflected on such map as being jointly owned with other utilities), as well as the Ocotillo Power Plant and the West Phoenix Power Plant, each located near Phoenix, Arizona, and the Saguaro Power Plant, located near Tucson, Arizona. PWEC's power plant shown on such map is Unit 4 of the West Phoenix Power Plant located near Phoenix, Arizona. APS' major transmission lines shown on such map are reflected as running between the power plants named above and certain major cities in the State of Arizona. The transmission lines operated for others shown on such map are reflected as running from the Four Corners Plant through a portion of northern Arizona to the California border.

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The above-named Claimant has caused this statement to be duly executed on its behalf by its authorized officer on this 28th day of February, 2002.

Pinnacle West Capital Corporation

(Name of Claimant)

By Barbara M. Gomez

Barbara M. Gomez
Treasurer

[CORPORATE SEAL]

Attest:

Betsy A. Pregulman

Betsy A. Pregulman
Associate Secretary

Name, title and address of officer to whom notices and correspondence concerning this statement should be addressed:

Barbara M. Gomez

Treasurer

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 (Name) (Title)
 400 North Fifth Street, Station 9996, Phoenix, Arizona 85004

 (Address)

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Exhibit B

PINNACLE WEST CAPITAL CORPORATION
 CONSOLIDATING BALANCE SHEET
 12/31/01
 (THOUSANDS OF DOLLARS)
 (UNAUDITED)

	PWCC	APS	PWMT
	-----	-----	-----
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	472	16,821	145
Customer and other receivables-net	754,736	332,107	134,115
Accrued utility revenue		76,131	
Materials and supplies		81,215	
Fossil fuel		27,023	
Assets from risk management activities		10,097	56,876
Other current assets	3,344	42,009	
	-----	-----	-----
Total current assets	758,552	585,403	191,136
	-----	-----	-----
INVESTMENTS AND OTHER ASSETS			
Real estate investments, net			
Assets from Risk Management Activities-Long Term		3,363	196,416
Other assets	2,732,859	278,358	572
	-----	-----	-----
Total investments and other	2,732,859	281,721	196,988
	-----	-----	-----
PROPERTY, PLANT AND EQUIPMENT			
Plant in service		8,105,106	
Nuclear Fuel		49,282	
Construction work in progress		321,305	4,459
	-----	-----	-----
Total		8,475,693	4,459
Less accumulated depreciation and amortization		3,374,098	
	-----	-----	-----
Net Property, Plant and Equipment		5,101,595	4,459
	-----	-----	-----
DEFERRED DEBITS			
Deferred income taxes			

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Regulatory assets		342,383	
Other deferred debits		55,952	(98)
	-----	-----	-----
Total deferred debits		398,335	(98)
	-----	-----	-----
TOTAL ASSETS	3,491,411	6,367,054	392,485
	=====	=====	=====
			*ELIMINATIONS A
		ENERGY	-----
	PWE	SERVICES	DEBIT
	-----	-----	-----
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	534	1,427	
Customer and other receivables-net	5,230	40,489	
Accrued utility revenue			
Materials and supplies			
Fossil fuel			
Assets from risk management activities			
Other current assets	3	1,118	
	-----	-----	-----
Total current assets	5,767	43,034	
	-----	-----	-----
INVESTMENTS AND OTHER ASSETS			
Real estate investments, net			4,753 (
Assets from Risk Management Activities-Long Term			
Other assets		320	
	-----	-----	-----
Total investments and other		320	4,753
	-----	-----	-----
PROPERTY, PLANT AND EQUIPMENT			
Plant in service	76,135	22,647	
Nuclear Fuel			
Construction work in progress	700,335	6,135	
	-----	-----	-----
Total	776,470	28,782	
Less accumulated depreciation and amortization	2,061	1,930	
	-----	-----	-----
Net Property, Plant and Equipment	774,409	26,852	
	-----	-----	-----
DEFERRED DEBITS			
Deferred income taxes			
Regulatory assets			
Other deferred debits	429		2,911 (
	-----	-----	-----
Total deferred debits	429		2,911
	-----	-----	-----
TOTAL ASSETS	780,605	70,206	7,664
	=====	=====	=====

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PINNACLE WEST CAPITAL CORPORATION
CONSOLIDATING BALANCE SHEET
December 31, 2001
(THOUSANDS OF DOLLARS)
(UNAUDITED)

	PWCC	APS	PWC
	-----	-----	-----
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable	21,358	98,959	74
Accrued taxes	6,355	105,352	(17)
Accrued interest	7,160	41,043	
Short-term borrowings	246,000		
Commerical paper, net		171,162	
Current maturities of long-term debt	357	125,451	
Customer Deposits		28,664	
Deferred income taxes		3,244	
Liabilities from risk management activities		21,840	14
Other current liabilities	32,445	117,770	144
	-----	-----	-----
Total current liabilities	313,675	713,485	216
	-----	-----	-----
NON-CURRENT LIABILITIES			
Long-term debt less current maturities	575,710	1,949,074	
	-----	-----	-----
Total	575,710	1,949,074	
	-----	-----	-----
DEFERRED CREDITS AND OTHER			
Liabilities from Risk Management Activities-Long Term		95,159	112
Deferred income taxes	22,913	1,025,322	38
Unamortized gain-sale of utility plant		64,060	
Other deferred credits	15,225	369,264	(7)
	-----	-----	-----
Total deferred credits	38,138	1,553,805	143
	-----	-----	-----
COMMITMENTS AND CONTINGENCIES			
Joint Ventures of SunCor			
	-----	-----	-----
COMMON STOCK EQUITY:			
Common stock	2,004,139	1,424,966	
Accumulated Other Comprehensive Income		(64,565)	
Retained Earnings	559,749	790,289	32
	-----	-----	-----
Total	2,563,888	2,150,690	32
	-----	-----	-----

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TOTAL LIABILITIES AND EQUITY	3,491,411	6,367,054	392
	=====	=====	=====
	PWE	ENERGY SERVICES	*E DEBIT
	-----	-----	-----
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable	35,060	21,251	
Accrued taxes	(3,040)	145	
Accrued interest			
Short-term borrowings			11,
Commerical paper, net			
Current maturities of long-term debt			
Customer Deposits			
Deferred income taxes			
Liabilities from risk management activities			
Other current liabilities	662,510	5,892	953,
	-----	-----	-----
Total current liabilities	694,530	27,288	964,
	-----	-----	-----
NON-CURRENT LIABILITIES			
Long-term debt less current maturities			
	-----	-----	-----
Total			
	-----	-----	-----
DEFERRED CREDITS AND OTHER			
Liabilities from Risk Management Activities-Long Term			
Deferred income taxes	2,444		25,
Unamortized gain-sale of utility plant			
Other deferred credits			
	-----	-----	-----
Total deferred credits	2,444		25,
	-----	-----	-----
COMMITMENTS AND CONTINGENCIES			
Joint Ventures of SunCor			16,
	-----	-----	-----
COMMON STOCK EQUITY:			
Common stock	68,096	75,246	2,411,
Accumulated Other Comprehensive Income			
Retained Earnings	15,535	(32,328)	
	-----	-----	-----
Total	83,631	42,918	2,411,
	-----	-----	-----
TOTAL LIABILITIES AND EQUITY	780,605	70,206	3,417,
	=====	=====	=====

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ADJUSTING AND ELIMINATION ENTRIES DECEMBER 31, 2001

(a)	Common stock	\$2,411,846	
	Accumulated deficit		\$ (285,169)
	Other investments		2,697,015

To eliminate PNW investment in subsidiaries

	Common Stock	Earnings/ Dividends	Total
	-----	-----	-----
APS	\$1,898,067	\$ 317,188	\$2,215,255
Power Marketing	0	32,744	32,744
Pinnacle West Energy	68,096	15,535	83,631
Energy Services	75,246	(32,328)	42,918
SunCor	356,391	(50,498)	305,893
El Dorado	14,046	2,528	16,574
	-----	-----	-----
Total	\$2,411,846	\$ 285,169	\$2,697,015
	=====	=====	=====

(b)	Other current liabilities	\$ 948,187	
	Customer and other receivables - net		\$ 948,187

To eliminate intercompany receivables/payables between all entities

	Intercompany Receivables	Intercompany Payables	
	-----	-----	
Pinnacle West CC	\$ 744,821	\$ 744,821	
APS	113,384	\$ 113,384	
Pinnacle West Energy	5,299	\$ 5,299	
Energy Services	968	\$ 968	
Power Marketing	83,715	\$ 83,715	
	-----	-----	
Total	\$ 948,187	\$ 948,187	
	=====	=====	

(c)	Minority interest	\$ 16,187	
	Real estate investments - net		\$ 16,187

To eliminate minority interest of SunCor JV partners

(d)	Real estate investments - net	\$ 4,753	
	Other - assets		\$ 4,753

To reclass PNW capitalized interest related to SunCor (65-1210-00001)
Account #1211

(e)	Other current liabilities	\$ 5,039	
	Other deferred credits		\$ 5,039

To reclass PNW deferred comp to long-term (65-2420-00006 thru 00008)
Account #2421

ADJUSTING AND ELIMINATION ENTRIES DECEMBER 31, 2001

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(f) Other deferred debits \$ 2,911
 Other - assets \$ 2,911

To reclass PNW unamortized debt to long-term (acct 1810 UNAMORT DEBT)

(g) Deferred income taxes (liability) \$ 25,091
 Deferred income taxes (asset) \$ 25,091

(h) Short term borrowing \$ 11,400
 A/R \$ 11,400

To eliminate loan from eldo
 Account 2230&2330

PINNACLE WEST CAPITAL CORPORATION
 CONSOLIDATING INCOME STATEMENT
 PERIOD ENDED DECEMBER 31, 2001
 (THOUSANDS OF DOLLARS)
 (UNAUDITED)

	PWCC	APS	PWMT	SUNCO
OPERATING REVENUES:				
Electric		\$ 3,310,792	\$ 1,165,498	
Real Estate				168
Total	--	3,310,792	1,165,498	168
FUEL EXPENSES:				
Fuel for electric generation		391,771		
Purchased power		1,348,872	1,087,744	
Total	--	1,740,643	1,087,744	
OPERATING EXPENSES:				
Operations and maintenance	(2,801)	465,561	18,970	
Real estate operations				153
Depreciation and amortization	175	420,893		3
Taxes other than income taxes		101,077		
Total	(2,626)	987,531	18,970	157
OPERATING INCOME	2,626	582,618	58,784	11
INTEREST AND OTHER EXPENSES				
Interest on long-term debt	28,768	126,118		10
Other interest	3,675	7,057	106	
Capitalized interest	(146)	(14,964)	(106)	(6)
Other, net	(334,977)	583		2
Total	(302,680)	118,794	--	6
Income from continuing operations before income taxes	305,306	463,824	58,784	5
Income Tax Expense (Benefit)	(6,860)	183,136	23,173	2

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Income from continuing operations	312,166	280,688	35,611	3
Accounting change		(15,201)		
NET INCOME (LOSS)	312,166	265,487	35,611	3
	=====	=====	=====	=====
			ADJUSTMENTS & ELIMINATIONS	
	PWE	ENERGY SERVICES	DEBIT	
	-----	-----	-----	
OPERATING REVENUES:				
Electric	\$ 79,481	24,237	\$ 197,543 (f, i, j, k, n)	
Real Estate				
Total	79,481	24,237	197,543	
	-----	-----	-----	
FUEL EXPENSES:				
Fuel for electric generation	13,156			
Purchased power		20,218		
Total	13,156	20,218	--	
	-----	-----	-----	
OPERATING EXPENSES:				
Operations and maintenance	33,972	14,384		
Real estate operations			97 (b)	
Depreciation and amortization	2,061	999		
Taxes other than income taxes	--		(9) (c)	
Total	36,033	15,383	88	
	-----	-----	-----	
OPERATING INCOME	30,292	(11,364)	197,455	
	-----	-----	-----	
INTEREST AND OTHER EXPENSES				
Interest on long-term debt				
Other interest	25,136	558		
Capitalized interest	(25,136)	(558)		
Other, net	619	(1,391)	(338,786) (a, e, g, l, m)	
Total	619	(1,391)	(338,786)	
	-----	-----	-----	
Income from continuing operations				
before income taxes	29,673	(9,973)	536,241	
Income Tax Expense (Benefit)	11,697			
Income from continuing operations	17,976	(9,973)	536,241	
Accounting change				
NET INCOME (LOSS)	17,976	(9,973)	536,241	
	=====	=====	=====	

ADJUSTING AND ELIMINATING ENTRIES
PERIOD ENDED DECEMBER 31, 2001

(a) Other - net (Subs income)	\$ 312,644	
Retained Earnings		\$ 312,644

To eliminate PWCC Equity in earnings from subsidiaries

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	PWCC		

APS	\$ 265,487		
PWMT	\$ 35,611		
Pinnacle West Energy	17,976		
Energy Services	(9,973)		
SunCor	3,337		
El Dorado	206		

Total	\$ 312,644		
	=====		
(b) Real Estate Operations	\$ 97		
Other - net		\$ 97	
To reclass Capitalized Interest for SunCor Land Sales			
(c) Taxes other than income taxes	\$ (9)		
Other - net		\$ (9)	
To reclass PNW property taxes			
(d) Taxes other than income taxes	\$ --		
Real estate operations		\$ --	
To reclass SunCor property taxes			
(e) Other, net (El Dorado interest income)	\$ 342		
Other interest		\$ 342	
Equal to interest income on eldo income statement			
(f) Electricity Sales	\$ 15,148		
Purchased Power		\$ 15,148	
To eliminate sales from APS to APSES (Amount is equal to ES purchased power)			
(g) Interest Income - PNW	\$ 25,136		
Interest Expense - PWE		\$ 25,136	
To eliminate interest expense/income on loan from PNW to PWE			
(h) Interest Income - PNW	\$ --		
Interest Expense - Suncor		\$ --	
To eliminate interest expense/income on unpaid Suncor dividend			
(i) Electric Revenues	\$ 63,663		
Purchased Power		\$ 63,663	
To eliminate transfer pricing transactions BETWEEN ENTITY 20,75 AND 00			
ADJUSTING AND ELIMINATING ENTRIES			
PERIOD ENDED DECEMBER 31, 2001			
(j) Electric Revenues	\$ 3,252		
cwip - PWE	\$ 3,252		
cwip - PWE			3,252
Purchased Power		\$ 3,252	

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To eliminate transfer pricing transactions BETWEEN ENTITY 20 AND 75

(k)	Electric Revenues	\$ 65,643	
	Purchased Power		\$ 65,643

To eliminate revenue and pp between entity 20 and 75

(l)	Interest Income - PNW	\$ 106	
	Interest Expense - PM		\$ 106

To eliminate interest expense/income on loan from PNW to PM

(m)	Interest Income - PNW	\$ 558	
	Interest Expense - ES		\$ 558

To eliminate interest expense/income on loan from PNW to ES

(n)	Electric Revenues	\$ 49,837	
	Purchased Power		\$ 49,837

To eliminate Citizens revenue between 00 and 20

CONSOLIDATED BALANCE SHEET (UNAUDITED)

AS OF DECEMBER 31, 2001

	1000 SUNCOR	SCOTT D. LPSCO	LENA M. RANCLAND	PAUL SASI
CURRENT ASSETS				
CASH AND SHORT TERM INVESTMENTS	6,188,317	979,336	508,222	320,7
ACCOUNTS RECEIVABLE	93,075	287,056	18,545	87,8
INTERCOMPANY ACCOUNTS:				
SASI	86			
LPSCO	137,030			
CORAL CANYON	650,371			
SMLP	2,736			
PVGC				
CORAL CANYON GOLF	(140,602)			
NORTHEAST	7,378,171			
NORTHEAST CONSTRUCTION	7,675,340			
PV MARKETING & CONSTRUCTION	(3,548,396)			
HOMEBUILDING I/C INTEREST	7,126,277			
HOMEBUILDING CASH ADVANCES	(5,825,883)			
COMMERCIAL - GENERAL				
SUNRIDGE - DEVELOPMENT	6,085			
SUNRIDGE - GOLF	139,179			
STONERIDGE - DEVELOPMENT I/C	116,854			
STONERIDGE HOMEBUILDING I/C	(21,086)			
SEDONA - DEVELOPMENT	23,770			
SEDONA - GOLF	99,291			
CLUB WEST	98,193			
WIGWAM RESORT	36,561			
HFS FINANCIAL SERVICES	13,696			
WESTWORLD DEVELOPMENT	5,786			
SANCTUARY GOLF	94,258			
INTEREST RECEIVABLE	114,720			

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INVESTMENT IN CLUB WEST G.C.	3,296,282			
INVESTMENT IN LPSCO	16,723,242			
INVESTMENT IN SASI				
INVESTMENT IN STONERIDGE	14,299,452			
INVESTMENT IN PALM VALLEY GOLF	3,696,861			
PALM VALLEY GOLF CONTRIB. CAP	5,412,516			
INVESTMENT IN RANCHO VIEJO	24,742,322			
INVESTMENT IN PALM VALLEY	154,514,358			
INVESTMENT IN CORAL CANYON	27,215,856			
INVESTMENT IN RANCHLAND UTILITY	(217,956)			
INVESTMENT IN HIDDEN HILLS	15,082,432			
COMMERCIAL PROPERTIES				
WWOS				
LONG-TERM NOTES RECEIVABLE	1,067,390			
SDC LOAN TO LPSCO	300,000			
PROPERTY & EQUIPMENT, NET	1,206,041			36,6
PREPAID ASSETS AND OTHER	1,973,738			
DEFERRED ASSETS	(13,946)	711,624	25,425	
DEFERRED INCOME TAXES	25,090,469			
WATER & SEWER UTILITY PROP, NET		36,333,268	1,105,775	
LPSCO RESTRICTED CASH FUNDS		2,000,509		
RANCHO VIEJO RESTRICTED CASH FUNDS				
SCOTTSDALE MOUNTAIN RESTRICTED CASH FUNDS				
DEPOSITS				
	-----	-----	-----	-----
TOTAL LONG-TERM ASSETS	435,149,402	39,045,401	1,131,200	36,6
	-----	-----	-----	-----
TOTAL ASSETS	457,340,686	40,311,793	1,657,967	445,3
	=====	=====	=====	=====
		TONYA	LARRY W.	5500
		CLUB WEST	GHH	PV
				550
				KABUT

CURRENT ASSETS				
CASH AND SHORT TERM INVESTMENTS	61,109	(597,939)	(1,065,384)	1,94
ACCOUNTS RECEIVABLE	17,703	1,151,911	2,868	
INTERCOMPANY ACCOUNTS:				
SASI				
LPSCO				
CORAL CANYON				
SMLP				
PVGC				
CORAL CANYON GOLF				
NORTHEAST				
NORTHEAST CONSTRUCTION				
PV MARKETING & CONSTRUCTION				
HOMEBUILDING I/C INTEREST				
HOMEBUILDING CASH ADVANCES				
COMMERCIAL - GENERAL				
SUNRIDGE - DEVELOPMENT				
SUNRIDGE - GOLF				
STONERIDGE - DEVELOPMENT I/C				
STONERIDGE HOMEBUILDING I/C				
SEDONA - DEVELOPMENT				
SEDONA - GOLF				
CLUB WEST				
WIGWAM RESORT				
HFS FINANCIAL SERVICES				
WESTWORLD DEVELOPMENT				
SANCTUARY GOLF				

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INTEREST RECEIVABLE				
NOTES RECEIVABLE			20,000	
INVENTORIES	73,287			
PREPAID EXPENSES	25,783	9,215		
HOME INVENTORY GOLDEN HERITAGE		29,799,243		
HOME INVENTORY RANCHO VIEJO				
HOME INVENTORY CORAL CANYON				
HOME INVENTORY STONERIDGE				

TOTAL CURRENT ASSETS	177,882	30,362,430	(1,042,516)	1,94
LONG-TERM ASSETS				
INVESTMENT IN HOMEBUILDING:				
INVEST IN GOLDEN HERITAGE				
GOLDEN HERITAGE DUE DILIGENCE				
INVESTMENT IN SCM				
INVESTMENT IN GENERAL COMM OPS				
INVESTMENT IN FIDDLESTICKS-SCOTTS				
INVESTMENT IN FUNTASTICKS				
INVESTMENT IN FIDDLESTICKS-TEMPE				
INVESTMENT IN APS PROPERTIES				
INVESTMENT IN BLACK CANYON CP				
INVESTMENT IN PV MARKETPLACE				
INVESTMENT IN PV PAVILIONS				
INVESTMENT IN ALAMEDA CROSSING				
INVESTMENT IN PV CORNERSTONE				
INVESTMENT IN PV CROSSING				
INVESTMENT IN PALM VALLEY OFFICE PARK				
INVESTMENT IN METROCENTER				
INVESTMENT IN RESTORATION PLACE				
INVESTMENT IN LITCHFIELD PARK OPS				
INVESTMENT IN AUTOPLEX				
INVESTMENT IN TALAVI				
INVESTMENT IN LP PROF. PLAZA				
INVESTMENT IN PV PAVILIONS/WEST				
DEVELOPMENT PROJECTS:				
CORAL CANYON				
HIDDEN HILLS				
RANCHO VIEJO				
PALM VALLEY				
157,600,296				
STONERIDGE				
LITCHFIELD GREENS				
VILLAGE OF LITCHFIELD GREENS				
12,47				
SCOTTSDALE MOUNTAIN				
MARKETPLACE - AUTOPLEX				
TALAVI				
WIGWAM OUTLET STORES				
GOLDEN HERITAGE				
BILTMORE ESTATES				
BLACK CANYON COMMERCE PARK				
OTHER COMMERCIAL LAND				
EQUITY INVESTMENTS:				
EQUITY IN CTRPT ASSOC-LLP				
INVEST IN HAYDEN FERRY LAKESIDE				
INVEST IN PV APARTMENTS (I & II)				
(55,582)				
INVESTMENT IN SUNRIDGE CANYON LLC				
INVESTMENT IN SEDONA GOLF LC				
INVEST IN TALAVI ASSOCIATES LLC				
INVESTMENT IN SANCTUARY GOLF				
INVESTMENT IN HFS MORTGAGE				
CONSOLIDATED ELIMINATING ENTITIES:				
INVEST IN KABUTO/SUNCOR JV				

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INVEST IN SCOTTS MTN LTD PART				
INVESTMENT IN CLUB WEST G.C.				
INVESTMENT IN LPSCO				
INVESTMENT IN SASI			268,691	
INVESTMENT IN STONERIDGE				
INVESTMENT IN PALM VALLEY GOLF				
PALM VALLEY GOLF CONTRIB. CAP				
INVESTMENT IN RANCHO VIEJO				
INVESTMENT IN PALM VALLEY				
INVESTMENT IN CORAL CANYON				
INVESTMENT IN RANCHLAND UTILITY				
INVESTMENT IN HIDDEN HILLS				
COMMERCIAL PROPERTIES	8,374,513			
WWOS				
LONG-TERM NOTES RECEIVABLE		89,100	276,308	1,047,910
SDC LOAN TO LPSCO				
PROPERTY & EQUIPMENT, NET		1,047,791	270,439	
PREPAID ASSETS AND OTHER				
DEFERRED ASSETS			264,214	
DEFERRED INCOME TAXES				
WATER & SEWER UTILITY PROP, NET				
LPSCO RESTRICTED CASH FUNDS				
RANCHO VIEJO RESTRICTED CASH FUNDS				
SCOTTSDALE MOUNTAIN RESTRICTED CASH FUNDS				
DEPOSITS		86,411		
		-----	-----	-----
TOTAL LONG-TERM ASSETS	8,374,513	1,223,302	158,624,366	13,511,961
	-----	-----	-----	-----
TOTAL ASSETS	8,552,395	31,585,732	157,581,850	15,460,684
	=====	=====	=====	=====
		7500	6600	3900
		STONERIDGE	RANCHO VIEJO	C. CANYON

CURRENT ASSETS				
CASH AND SHORT TERM INVESTMENTS	508,983	1,023,812	150,337	
ACCOUNTS RECEIVABLE		176,174	(1,087)	
INTERCOMPANY ACCOUNTS:				
SASI				
LPSCO				
CORAL CANYON				
SMLP				
PVGC				
CORAL CANYON GOLF				140,602
NORTHEAST				
NORTHEAST CONSTRUCTION				
PV MARKETING & CONSTRUCTION				
HOMEBUILDING I/C INTEREST				
HOMEBUILDING CASH ADVANCES				
COMMERCIAL - GENERAL				
SUNRIDGE - DEVELOPMENT				
SUNRIDGE - GOLF				
STONERIDGE - DEVELOPMENT I/C				
STONERIDGE HOMEBUILDING I/C				
SEDONA - DEVELOPMENT				
SEDONA - GOLF				
CLUB WEST				
WIGWAM RESORT				
HFS FINANCIAL SERVICES				
WESTWORLD DEVELOPMENT				

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SANCTUARY GOLF			
INTEREST RECEIVABLE			
NOTES RECEIVABLE			682,703
INVENTORIES			65,578
PREPAID EXPENSES	450		314,290
HOME INVENTORY GOLDEN HERITAGE			
HOME INVENTORY RANCHO VIEJO	4,914,185		
HOME INVENTORY CORAL CANYON			3,390,924
HOME INVENTORY STONERIDGE	336,257		

TOTAL CURRENT ASSETS	845,240	6,114,621	4,743,347

LONG-TERM ASSETS			
INVESTMENT IN HOMEBUILDING:			
INVEST IN GOLDEN HERITAGE			
GOLDEN HERITAGE DUE DILIGENCE			
INVESTMENT IN SCM			
INVESTMENT IN GENERAL COMM OPS			
INVESTMENT IN FIDDLESTICKS-SCOTTS			
INVESTMENT IN FUNTASTICKS			
INVESTMENT IN FIDDLESTICKS-TEMPE			
INVESTMENT IN APS PROPERTIES			
INVESTMENT IN BLACK CANYON CP			
INVESTMENT IN PV MARKETPLACE			
INVESTMENT IN PV PAVILIONS			
INVESTMENT IN ALAMEDA CROSSING			
INVESTMENT IN PV CORNERSTONE			
INVESTMENT IN PV CROSSING			
INVESTMENT IN PALM VALLEY OFFICE PARK			
INVESTMENT IN METROCENTER			
INVESTMENT IN RESTORATION PLACE			
INVESTMENT IN LITCHFIELD PARK OPS			
INVESTMENT IN AUTOPLEX			
INVESTMENT IN TALAVI			
INVESTMENT IN LP PROF. PLAZA			
INVESTMENT IN PV PAVILIONS/WEST			
DEVELOPMENT PROJECTS:			
CORAL CANYON			14,907,616
HIDDEN HILLS			
RANCHO VIEJO		18,580,794	
PALM VALLEY			
STONERIDGE	24,847,945		
LITCHFIELD GREENS			
VILLAGE OF LITCHFIELD GREENS			
SCOTTSDALE MOUNTAIN			
MARKETPLACE - AUTOPLEX			
TALAVI			
WIGWAM OUTLET STORES			
GOLDEN HERITAGE			
BILTMORE ESTATES			
BLACK CANYON COMMERCE PARK			
OTHER COMMERCIAL LAND			
EQUITY INVESTMENTS:			
EQUITY IN CTRPT ASSOC-LLP			
INVEST IN HAYDEN FERRY LAKESIDE			
INVEST IN PV APARTMENTS (I & II)			
INVESTMENT IN SUNRIDGE CANYON LLC			
INVESTMENT IN SEDONA GOLF LC			
INVEST IN TALAVI ASSOCIATES LLC			
INVESTMENT IN SANCTUARY GOLF			
INVESTMENT IN HFS MORTGAGE			
CONSOLIDATED ELIMINATING ENTITIES:			

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INVEST IN KABUTO/SUNCOR JV			
INVEST IN SCOTTS MTN LTD PART			
INVESTMENT IN CLUB WEST G.C.			
INVESTMENT IN LPSCO			
INVESTMENT IN SASI			
INVESTMENT IN STONERIDGE			
INVESTMENT IN PALM VALLEY GOLF			
PALM VALLEY GOLF CONTRIB. CAP			
INVESTMENT IN RANCHO VIEJO			
INVESTMENT IN PALM VALLEY			
INVESTMENT IN CORAL CANYON			
INVESTMENT IN RANCHLAND UTILITY		1,120,126	
INVESTMENT IN HIDDEN HILLS			
COMMERCIAL PROPERTIES			8,528,736
WWOS			
LONG-TERM NOTES RECEIVABLE			
SDC LOAN TO LPSCO			
PROPERTY & EQUIPMENT, NET	223,529	266,015	573,886
PREPAID ASSETS AND OTHER	100,120		
DEFERRED ASSETS			1,989
DEFERRED INCOME TAXES			
WATER & SEWER UTILITY PROP, NET		264,261	
LPSCO RESTRICTED CASH FUNDS			
RANCHO VIEJO RESTRICTED CASH FUNDS		(7,746)	
SCOTTSDALE MOUNTAIN RESTRICTED CASH FUNDS			
DEPOSITS			

TOTAL LONG-TERM ASSETS	25,171,594	20,223,450	24,012,227
------------------------	------------	------------	------------

TOTAL ASSETS	26,016,834	26,338,071	28,755,574
--------------	------------	------------	------------

CONSOLIDATING AND ELIMINATING ENTRIES

	REF	DEBIT	REF	CR
CURRENT ASSETS				
CASH AND SHORT TERM INVESTMENTS				
ACCOUNTS RECEIVABLE			AA	1
INTERCOMPANY ACCOUNTS:				
SASI			K	
LPSCO			H	1
CORAL CANYON			X	6
SMLP			J	
PVGC				
CORAL CANYON GOLF				
NORTHEAST			A	7,3
NORTHEAST CONSTRUCTION			A	7,6
PV MARKETING & CONSTRUCTION	A	16,175,670	A	12,6
HOMEBUILDING I/C INTEREST			C	7,1
HOMEBUILDING CASH ADVANCES	B	5,825,883		
COMMERCIAL - GENERAL				
SUNRIDGE - DEVELOPMENT				
SUNRIDGE - GOLF				
STONERIDGE - DEVELOPMENT I/C			CC	1
STONERIDGE HOMEBUILDING I/C	CC	21,267	CC	
SEDONA - DEVELOPMENT				
SEDONA - GOLF				
CLUB WEST			BB	
WIGWAM RESORT				

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HFS FINANCIAL SERVICES			
WESTWORLD DEVELOPMENT			
SANCTUARY GOLF			
INTEREST RECEIVABLE			
NOTES RECEIVABLE			
INVENTORIES			
PREPAID EXPENSES			
HOME INVENTORY GOLDEN HERITAGE			E 4,7
HOME INVENTORY RANCHO VIEJO			
HOME INVENTORY CORAL CANYON			
HOME INVENTORY STONERIDGE			
		-----	-----
TOTAL CURRENT ASSETS		22,022,820	40,7
LONG-TERM ASSETS			
INVESTMENT IN HOMEBUILDING:			
INVEST IN GOLDEN HERITAGE			D 13,6
GOLDEN HERITAGE DUE DILIGENCE			
INVESTMENT IN SCM			D 5
INVESTMENT IN GENERAL COMM OPS			S 93,0
INVESTMENT IN FIDDLESTICKS-SCOTTS	S	5,739,462	S 1,8
INVESTMENT IN FUNTASTICKS	S	1,642,350	S 6
INVESTMENT IN FIDDLESTICKS-TEMPE	S	2,980,199	S 1,5
INVESTMENT IN APS PROPERTIES			S 5
INVESTMENT IN BLACK CANYON CP			S 1,6
INVESTMENT IN PV MARKETPLACE			S 9,8
INVESTMENT IN PV PAVILIONS			S 4,3
INVESTMENT IN ALAMEDA CROSSING			S 8
INVESTMENT IN PV CORNERSTONE			S 4,2
INVESTMENT IN PV CROSSING			S 1,0
INVESTMENT IN PALM VALLEY OFFICE PARK			S 5
INVESTMENT IN METROCENTER			S 2
INVESTMENT IN RESTORATION PLACE	S	103,015	S
INVESTMENT IN LITCHFIELD PARK OPS			S 1
INVESTMENT IN AUTOPLEX	S	261,979	
INVESTMENT IN TALAVI	S	236,689	
INVESTMENT IN LP PROF. PLAZA			S
INVESTMENT IN PV PAVILIONS/WEST	S	2,044,837	
DEVELOPMENT PROJECTS:			
CORAL CANYON			
HIDDEN HILLS	T	3,770,897	
RANCHO VIEJO			
PALM VALLEY			
STONERIDGE			
LITCHFIELD GREENS			
VILLAGE OF LITCHFIELD GREENS			
SCOTTSDALE MOUNTAIN			
MARKETPLACE - AUTOPLEX			
TALAVI			
WIGWAM OUTLET STORES			
GOLDEN HERITAGE			
BILTMORE ESTATES			
BLACK CANYON COMMERCE PARK			
OTHER COMMERCIAL LAND			
EQUITY INVESTMENTS:			
EQUITY IN CTRPT ASSOC-LLP			
INVEST IN HAYDEN FERRY LAKESIDE			
INVEST IN PV APARTMENTS (I & II)			
INVESTMENT IN SUNRIDGE CANYON LLC			
INVESTMENT IN SEDONA GOLF LC			
INVEST IN TALAVI ASSOCIATES LLC			
INVESTMENT IN SANCTUARY GOLF			

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INVESTMENT IN HFS MORTGAGE				
CONSOLIDATED ELIMINATING ENTITIES:				
INVEST IN KABUTO/SUNCOR JV			R	10,0
INVEST IN SCOTTS MTN LTD PART	I	20,413,693	I	23,0
INVESTMENT IN CLUB WEST G.C.	BB	603,718	BB	3,9
INVESTMENT IN LPSCO			F	16,7
INVESTMENT IN SASI	L	650,000	L	9
INVESTMENT IN STONERIDGE	CC	180,878	CC	14,4
INVESTMENT IN PALM VALLEY GOLF	M	2,461,312	M	6,1
PALM VALLEY GOLF CONTRIB. CAP			N	5,4
INVESTMENT IN RANCHO VIEJO			U	24,7
INVESTMENT IN PALM VALLEY			V	154,5
INVESTMENT IN CORAL CANYON	W	475,917	W	27,6
INVESTMENT IN RANCHLAND UTILITY	AA	217,956	AA	1,1
INVESTMENT IN HIDDEN HILLS			T	15,0
COMMERCIAL PROPERTIES				
WWOS				
LONG-TERM NOTES RECEIVABLE				
SDC LOAN TO LPSCO			G	3
PROPERTY & EQUIPMENT, NET				
PREPAID ASSETS AND OTHER				
DEFERRED ASSETS				
DEFERRED INCOME TAXES				
WATER & SEWER UTILITY PROP, NET				
LPSCO RESTRICTED CASH FUNDS				
RANCHO VIEJO RESTRICTED CASH FUNDS				
SCOTTSDALE MOUNTAIN RESTRICTED CASH FUNDS				
DEPOSITS				
		-----		-----
TOTAL LONG-TERM ASSETS		41,782,902		439,0
		-----		-----
TOTAL ASSETS		63,805,722		479,7
		=====		=====

	1000	SCOTT D.	LENA M.	PAUL N.
	SUNCOR	LPSCO	RANCHLAND	SASI

CURRENT LIABILITIES				
A/P & RETENTION	(21,589)	407,518		34,3
ACCRUED LIABILITIES	2,398,617	1,767,642	771	100,4
STATE INCOME TAX LIABILITY	1,150,056			
INTERCOMPANY ACCOUNTS:				
LPSCO - SDC		137,030		
SMLP - SDC				
SCM-SDC CASH ADVANCES				
PV MARKETING & CONSTRUCTION				
NORTHEAST				
NORTHEAST CONSTRUCTION				
INTERCOMPANY INTEREST PAYABLE				
CLUB WEST GOLF COURSE				
PALM VALLEY GOLF COURSE				
CORAL CANYON GOLF COURSE				
RANCHLAND-RANCHO VIEJO			176,174	
STONERIDGE				

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	TONYA CLUB WEST	LARRY W. GHH	5500 PV	550 KABUT
TOTAL EQUITY	305,892,250	16,190,313	902,170	268,6
TOTAL LIABS AND EQUITY	457,340,686	40,311,793	1,657,967	445,3
CURRENT LIABILITIES				
A/P & RETENTION	53,531	414,491	507,447	1
ACCRUED LIABILITIES	204,978	3,726,150	1,298,405	8
STATE INCOME TAX LIABILITY				
INTERCOMPANY ACCOUNTS:				
LPSCO - SDC				
SMLP - SDC				
SCM-SDC CASH ADVANCES		(5,825,883)		
PV MARKETING & CONSTRUCTION		(3,548,396)		
NORTHEAST		6,674,727		
NORTHEAST CONSTRUCTION		7,675,340		
INTERCOMPANY INTEREST PAYABLE		7,126,277		
CLUB WEST GOLF COURSE	98,193			
PALM VALLEY GOLF COURSE				
CORAL CANYON GOLF COURSE				
RANCHLAND-RANCHO VIEJO				
STONERIDGE				
INTEREST PAYABLE - RLC				
S/T NOTES PAYABLE				
\$45 MILLION TERM LOAN				
\$55 MILLION RLC				
TEXTRON LOAN - PVGC				
DEF PROFIT & UNEARNED REVENUE				
PWCC INTERCO PAYABLE				
CUSTOMER DEPOSITS		1,224,354		
CURRENT MATURITIES OF LTD				
LPSCO BONDS PAYABLE				
TEXTRON LOAN - PVGC				
CLUB WEST GOLF COURSE LOAN	140,109			
TOTAL CURRENT LIABILITIES	496,811	17,467,060	1,805,852	9
LONG-TERM LIABILITIES				
LONG-TERM NOTES PAYABLE				
CORPORATE TERM NOTE				
CORPORATE RLC				
LPSCO BONDS				
TEXTRON LOAN - PVGC				
LOAN - CLUB WEST	4,566,405			
PENSION LIABILITY - SUNCOR				
PENSION LIABILITY - WIGWAM RESORT				
ACCRUED STATE INCOME TAX				
OTHER ACCRUED LIABILITIES			1,261,639	
DEFERRED TAXES				
LONG-TERM CUSTOMER DEPOSITS				
CONTRIB PROPERTY AIA				

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TOTAL L/T LIABILITIES	4,566,405		1,261,639	
TOTAL LIABILITIES	5,063,216	17,467,060	3,067,491	9
MINORITY INTEREST				
SDC COMMON STOCK				
SDC ADDITIONAL PAID IN CAPITAL				
SDC EARNED SURPLUS-BEGINNING				
SDC EARNED SURPLUS-CURRENT				
SUBSIDIARY EARNINGS-CURRENT	(619,963)	6,960,586	1,904,267	1,6
SUBSIDIARY EQUITY:				
LPSCO				
SASI				
SMLP #3500				
PVGC				
CLUB WEST	4,109,143			
HOMEBUILDING		7,158,086		
PALM VALLEY #5500			152,610,091	
KABUTO JV #3000				12,8
COMMERCIAL PROPERTIES #2000				
HIDDEN HILLS #3300				
RANCHO VIEJO #6600				
RANCHLAND UTILITY				
CORAL CANYON #3900				
STONERIDGE				
TOTAL EQUITY	3,489,180	14,118,672	154,514,358	14,4
TOTAL LIABS AND EQUITY	8,552,396	31,585,732	157,581,849	15,4
	3300	7500	6600	3
	H HILLS	STONERIDGE	RANCHO VIEJO	C.
CURRENT LIABILITIES				
A/P & RETENTION	339,426	598,116	1,017,397	85
ACCRUED LIABILITIES	797,297	802,121	276,495	3
STATE INCOME TAX LIABILITY				
INTERCOMPANY ACCOUNTS:				
LPSCO - SDC				
SMLP - SDC				
SCM-SDC CASH ADVANCES (SunCor Wire 107260)				
PV MARKETING & CONSTRUCTION				
NORTHEAST				
NORTHEAST CONSTRUCTION				
INTERCOMPANY INTEREST PAYABLE				
CLUB WEST GOLF COURSE				
PALM VALLEY GOLF COURSE				
CORAL CANYON GOLF COURSE				65
RANCHLAND-RANCHO VIEJO				
STONERIDGE		117,036		
INTEREST PAYABLE - RLC				
S/T NOTES PAYABLE				

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\$45 MILLION TERM LOAN				
\$55 MILLION RLC				
TEXTRON LOAN - PVGC				
DEF PROFIT & UNEARNED REVENUE				
PWCC INTERCO PAYABLE				
CUSTOMER DEPOSITS			301,859	
CURRENT MATURITIES OF LTD				
LPSCO BONDS PAYABLE				
TEXTRON LOAN - PVGC				
CLUB WEST GOLF COURSE LOAN				

TOTAL CURRENT LIABILITIES	1,136,723	1,517,273	1,595,751	1,530,000

LONG-TERM LIABILITIES				
LONG-TERM NOTES PAYABLE				
CORPORATE TERM NOTE				
CORPORATE RLC				
LPSCO BONDS				
TEXTRON LOAN - PVGC				
LOAN - CLUB WEST				
PENSION LIABILITY - SUNCOR				
PENSION LIABILITY - WIGWAM RESORT				
ACCRUED STATE INCOME TAX				
OTHER ACCRUED LIABILITIES				
DEFERRED TAXES				
LONG-TERM CUSTOMER DEPOSITS				
CONTRIB PROPERTY AIA				

TOTAL L/T LIABILITIES				

TOTAL LIABILITIES	1,136,723	1,517,273	1,595,751	1,530,000
	=====			

MINORITY INTEREST				

SDC COMMON STOCK				
SDC ADDITIONAL PAID IN CAPITAL				
SDC EARNED SURPLUS-BEGINNING				
SDC EARNED SURPLUS-CURRENT				
SUBSIDIARY EARNINGS-CURRENT	909,962	(361,756)	1,529,638	(27,000)

SUBSIDIARY EQUITY:				
LPSCO				
SASI				
SMLP #3500				
PVGC				
CLUB WEST				
HOMEBUILDING				
PALM VALLEY #5500				
KABUTO JV #3000				
COMMERCIAL PROPERTIES #2000				
HIDDEN HILLS #3300	11,107,336			
RANCHO VIEJO #6600			23,212,683	
RANCHLAND UTILITY				
CORAL CANYON #3900				27,490
STONERIDGE		24,861,318		

TOTAL EQUITY	12,017,298	24,499,562	24,742,321	27,210

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TOTAL LIABS AND EQUITY

 13,154,021 26,016,835 26,338,072 28,75
 =====

CONSOLIDATING AND ELIMINATING ENTRIES

CURRENT LIABILITIES

A/P & RETENTION

ACCRUED LIABILITIES

STATE INCOME TAX LIABILITY

(K,F) 872,639

INTERCOMPANY ACCOUNTS:

LPSCO - SDC

H 137,030

SMLP - SDC

J 2,736

SCM-SDC CASH ADVANCES (SunCor Wire 107260)

PV MARKETING & CONSTRUCTION

A 12,627,274

NORTHEAST

A 6,674,727

NORTHEAST CONSTRUCTION

A 7,675,340

INTERCOMPANY INTEREST PAYABLE

C 7,126,277

CLUB WEST GOLF COURSE

BB 98,193

PALM VALLEY GOLF COURSE

N 5,412,516

CORAL CANYON GOLF COURSE

X 650,371

RANCHLAND-RANCHO VIEJO

AA 176,174

STONERIDGE

CC 138,121

INTEREST PAYABLE - RLC

S/T NOTES PAYABLE

\$45 MILLION TERM LOAN

\$55 MILLION RLC

TEXTRON LOAN - PVGC

DEF PROFIT & UNEARNED REVENUE

E 4,719,745

PWCC INTERCO PAYABLE

CUSTOMER DEPOSITS

CURRENT MATURITIES OF LTD

LPSCO BONDS PAYABLE

TEXTRON LOAN - PVGC

CLUB WEST GOLF COURSE LOAN

TOTAL CURRENT LIABILITIES

 46,311,143

LONG-TERM LIABILITIES

LONG-TERM NOTES PAYABLE

CORPORATE TERM NOTE

CORPORATE RLC

LPSCO BONDS

TEXTRON LOAN - PVGC

LOAN - CLUB WEST

PENSION LIABILITY - SUNCOR

PENSION LIABILITY - WIGWAM RESORT

ACCRUED STATE INCOME TAX

OTHER ACCRUED LIABILITIES

DEFERRED TAXES

LONG-TERM CUSTOMER DEPOSITS

CONTRIB PROPERTY AIA

TOTAL L/T LIABILITIES

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TOTAL LIABILITIES		-----	46,311,143	
		=====		
MINORITY INTEREST	(BB, I)		10,972,020	(C, I, R, B)
SDC COMMON STOCK				
SDC ADDITIONAL PAID IN CAPITAL				
SDC EARNED SURPLUS-BEGINNING				
SDC EARNED SURPLUS-CURRENT				
SUBSIDIARY EARNINGS-CURRENT	(D, F, I, L, R, S, U, V, T)		27,623,045	(M, W, AA, BB, C)
SUBSIDIARY EQUITY:				
LPSCO	(F, G)		15,428,167	
SASI	L		885,244	
SMLP #3500	I		34,453,474	
PVGC	M		6,158,173	
CLUB WEST	BB		4,377,000	B
HOMEBUILDING	D		7,158,086	
PALM VALLEY #5500	V		152,610,091	
KABUTO JV #3000	R		12,814,302	
COMMERCIAL PROPERTIES #2000	S		94,375,793	
HIDDEN HILLS #3300	T		14,878,234	
RANCHO VIEJO #6600	U		23,212,683	
RANCHLAND UTILITY	AA		1,120,126	A
CORAL CANYON #3900	W		27,691,773	C
STONERIDGE	CC		24,861,318	

TOTAL EQUITY			458,619,529	

TOTAL LIABS AND EQUITY			504,930,672	
		=====		

SUNCOR DEVELOPMENT COMPANY
CONSOLIDATING INCOME STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2001 (UNAUDITED)

ACCOUNT DESCRIPTION	SUNCOR	LPSCO
-----	-----	-----
REVENUES		
Home Sales		
Land Sales	13,043,793	
Sale of Assets	14,600,000	
Commercial Properties	10,869,721	
Utility Sales	128,345	3,708,202
Management Fees	933,006	
	-----	-----
TOTAL OPERATING REVENUES	39,574,865	3,708,202
OPERATING EXPENSES		
Cost of Homes Sold		
Cost of Land Sold	3,502,811	
Sale of Assets	8,581,401	
Commercial Properties	7,717,105	

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	Utility Expense	(6,178)	2,274,164
	Land Project Costs	1,566,759	
	General & Administrative	15,175,038	
	Depreciation & Amortization	2,474,015	406,106
		-----	-----
TOTAL OPERATING EXPENSES		39,010,951	2,680,270
NET OPERATING INCOME/(LOSS)		563,914	1,027,932
OTHER INCOME AND GAINS			
	Equity in Joint Ventures	2,574,542	
	Interest Income	554,579	133,254
	Other	(6,652,022)	276,708
		-----	-----
TOTAL OTHER INCOME AND GAINS		(3,522,901)	409,962
INTEREST EXPENSE, NET			
	Interest Expense	9,690,077	527,191
	Less: Capitalized Interest	(6,614,227)	(338,061)
		-----	-----
TOTAL INTEREST EXPENSE, NET		3,075,850	189,130
	Minority Interest	(209,585)	
INCOME BEFORE TAXES		(5,825,252)	1,248,764
	Income Taxes	2,255,297	--
		-----	-----
NET INCOME/(LOSS)		\$ (8,080,549)	\$ 1,248,764
		=====	=====

	ACCOUNT DESCRIPTION	PVGC	GHH
	-----	-----	-----
REVENUES			
	Home Sales		72,882,646
	Land Sales		128,750
	Sale of Assets		
	Commercial Properties	2,564,722	
	Utility Sales		
	Management Fees		
		-----	-----
TOTAL OPERATING REVENUES		2,564,722	73,011,396
OPERATING EXPENSES			
	Cost of Homes Sold		58,929,795
	Cost of Land Sold		103,962
	Sale of Assets		
	Commercial Properties	2,757,802	
	Utility Expense		
	Land Project Costs		24,401
	General & Administrative	--	5,508,264
	Depreciation & Amortization	537,528	243,412
		-----	-----
TOTAL OPERATING EXPENSES		3,295,330	64,809,834

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NET OPERATING INCOME/(LOSS)		(730,608)	8,201,562
OTHER INCOME AND GAINS			
	Equity in Joint Ventures		320,688
	Interest Income		2,525
	Other		149,189
		-----	-----
TOTAL OTHER INCOME AND GAINS			472,402
INTEREST EXPENSE, NET			
	Interest Expense	316,647	
	Less: Capitalized Interest		
		-----	-----
TOTAL INTEREST EXPENSE, NET		316,647	--
	Minority Interest		
INCOME BEFORE TAXES		(1,047,255)	8,673,964
	Income Taxes		
		-----	-----
NET INCOME/(LOSS)		\$ (1,047,255)	\$ 8,673,964
		=====	=====

	ACCOUNT DESCRIPTION	RANCHO VIEJO	CONSOLIDATED INCOME
	-----	-----	-----
REVENUES			
	Home Sales	29,992,804	112,331,143
	Land Sales	1,094,765	21,360,058
	Sale of Assets		14,600,000
	Commercial Properties	266,805	15,724,240
	Utility Sales		3,959,189
	Management Fees		933,006
		-----	-----
TOTAL OPERATING REVENUES		31,354,374	168,907,636
OPERATING EXPENSES			
	Cost of Homes Sold	25,658,879	92,541,877
	Cost of Land Sold	1,055,607	9,719,629
	Sale of Assets		8,581,401
	Commercial Properties		12,510,039
	Utility Expense		2,417,132
	Land Project Costs	399,002	2,469,505
	General & Administrative	2,721,042	25,334,529
	Depreciation & Amortization	30,600	3,774,886
		-----	-----
TOTAL OPERATING EXPENSES		29,865,130	157,348,998
NET OPERATING INCOME/(LOSS)		1,489,244	11,558,638
OTHER INCOME AND GAINS			
	Equity in Joint Ventures		2,895,230
	Interest Income	21,967	730,551
	Other	23,500	(6,208,018)
		-----	-----

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TOTAL OTHER INCOME AND GAINS	45,467	(2,582,237)
INTEREST EXPENSE, NET		
Interest Expense	5,071	10,545,875
Less: Capitalized Interest		(6,952,288)
	-----	-----
TOTAL INTEREST EXPENSE, NET	5,071	3,593,587
Minority Interest		(209,585)
INCOME BEFORE TAXES	1,529,640	5,592,399
Income Taxes		2,255,297
	-----	-----
NET INCOME/(LOSS)	\$ 1,529,640	\$ 3,337,102
	=====	=====

DECEMBER 2001 CONSOLIDATING & ELIMINATING ENTRIES

	DEBIT

A. NE CONSTRUCTION INTERCO A/P TO SDC (107245-000)	\$ 7,675,340.42
PV CONSTRUCTION INTERCO TO SDC (107246-000)	\$ 12,627,274.26
SDC A/R FROM SCM	
SDC A/R FROM PV CONSTRUCTION	
GH INTERCO CAPITAL FROM SDC - ACQUISITION	\$ 1,432,265.22
GH INTERCO A/P TO SDC (107250-000)	\$ 5,242,461.83
PV MARKETING I/C TO SDC (107251-000)	\$ 16,175,669.88
SDC A/R FROM GH	
GHH PV MARKETING	
B. HOMEBUILDING CASH ADVANCES FROM SDC	
SDC CASH ADVANCES TO HOMEBUILDING	\$ 5,825,883.31
C. N.E. INTERCO CAPPED INTEREST	\$ 7,126,276.59
SDC INTERCO INTEREST A/R FROM SCM	
ELIMINATE INTERCO RECEIVABLES/PAYABLES BETWEEN HOMEBUILDING AND SDC	
D. HOMEBUILDING ACCUMULATED EARNINGS	\$ 7,158,085.83
SDC INVESTMENT IN GH	
SDC DUE DILIGENCE COSTS - GHH ACQUISITION	
SDC INVESTMENT IN SCM	
HOMEBUILDING CURRENT YEAR EARNINGS	\$ 6,960,585.51
ELIMINATE SDC INVESTMENT IN GOLDEN HERITAGE & SCM	
E. DEFERRED INTERCO PROFIT	\$ 4,719,745.08
HOME INVENTORY	

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ELIMINATE DEFERRED PROFIT ON INTERCO LOT SALES TO HOMEBUILDING

F. LPSCO COMMON STOCK	78,200.00
LPSCO PAID IN CAPITAL	13,168,180.43
LPSCO EARNINGS - PRIOR	1,881,786.74
LPSCO INCOME TAXES	
LPSCO EARNINGS - CURRENT YEAR	762,146.22

SDC INVESTMENT IN LPSCO - CONTRIB CAPITAL	
SDC INVESTMENT IN LPSCO - EARNINGS	
SDC DEFERRED TAXES DIFFERENTIAL	872,552.78

ELIMINATE SDC INVESTMENT IN LPSCO

G. LPSCO LONG-TERM NOTES PAYABLE	300,000.00
LPSCO LONG-TERM NOTES PAYABLE	
SDC LONG-TERM NOTES RECEIVABLE	
SDC LONG-TERM NOTES RECEIVABLE	

ELIMINATE LPSCO INTERCOMPANY NOTE WITH SDC

H. LPSCO ACCOUNTS PAYABLE	137,029.73
SDC ACCOUNTS RECEIVABLE	

DECEMBER 2001 CONSOLIDATING & ELIMINATING ENTRIES

DEBIT

ELIMINATE LPSCO INTERCOMPANY A/R WITH SDC

I. SMLP CONTRIBUTED CAPITAL - MINORITY INT	X	
SMLP CONTRIBUTED CAPITAL - SDC GP		490,147.01
SMLP DISTRIBUTED CAPITAL - SDC GP		
SMLP CONTRIBUTED CAPITAL - SDC LP		2,100,000.00
SMLP DISTRIBUTED CAPITAL - SDC LP		
SMLP EARNINGS - PRIOR		31,863,326.96
SMLP EARNINGS - CURRENT YEAR		444,537.12
MINORITY INTEREST CONTRIBUTED CAPITAL		10,507,040.00
MINORITY INTEREST - PRIOR (35%)		
MINORITY INTEREST - CURRENT YEAR (35%)		
SDC INVESTMENT IN SMLP - LP		
SDC DISTRIBUTIONS FROM SMLP - LP		6,955,259.26
SDC INVESTMENT IN SMLP - GP		
SDC DISTRIBUTIONS FROM SMLP - GP		13,458,433.74
SDC INVESTMENT IN SMLP - EARNINGS		
SDC LAND BASIS DIFFERENTIAL		

ELIMINATE SDC INVESTMENT IN SMLP #3500

J. SMLP ACCOUNTS PAYABLE	X	2,735.71
SDC ACCOUNTS RECEIVABLE		
SMLP BRIDGE LOAN PAYABLE		
SDC BRIDGE LOAN RECEIVABLE		
GH ACCOUNTS PAYABLE (Lot Premiums)		
SMLP ACCOUNTS RECEIVABLE		

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ELIMINATE SMLP INTERCOMPANY A/R WITH SDC AND HOMEBUILDING (PREMIUMS)		
K. SASI ACCOUNTS PAYABLE	X	85.81
SDC ACCOUNTS RECEIVABLE		
ELIMINATE SASI INTERCOMPANY A/R WITH SDC		
L. SASI CONTRIBUTED CAPITAL	X	489,023.22
SASI CAPITAL DISTRIBUTIONS		
SASI EARNINGS - PRIOR YEARS		396,220.95
SASI EARNINGS - CURRENT YEAR		33,447.00
PV INVESTMENT IN SASI - CONTRIB CAPITAL		
PV INVESTMENT IN SASI - DISTRIBUTIONS		650,000.00
PV INVESTMENT IN SASI - EARNINGS		
ELIMINATE PALM VALLEY INVESTMENT IN SASI		
M. PVGC CONTRIBUTED CAPITAL	X	6,158,173.14
PVGC BOOKS - SDC CONTRIBUTED CAPITAL		
PVGC EARNINGS - PRIOR		
PVGC EARNINGS - PRIOR YEARS		
PVGC EARNINGS - CURRENT YEAR		
PVGC EARNINGS - CURRENT		
SDC INVESTMENT IN PVGC - EARNINGS		2,461,312.13
SDC INVESTMENT IN PVGC - CONTRIB CAPITAL		
ELIMINATE SDC INVESTMENT IN PALM VALLEY GOLF		
N. PVGC - INTERCOMPANY INVOICES	X	
PVGC ACCOUNTS RECEIVABLE		5,412,516.15
ELIMINATE PALM VALLEY GOLF INTERCOMPANY A/R WITH SDC		
DECEMBER 2001 CONSOLIDATING & ELIMINATING ENTRIES		
		DEBIT

R. KABUTO CONTRIBUTED CAPITAL - SDC	X	8,973,033.57
KABUTO CONTRIBUTED CAPITAL - KABUTO		3,841,268.00
KABUTO PRIOR PERIOD EARNINGS		
KABUTO CURRENT PERIOD EARNINGS		1,662,894.69
MINORITY INTEREST		
SDC INVESTMENT IN KABUTO - CONTR CAPITAL		
SDC INVESTMENT IN KABUTO - EARNINGS		
PLUG		
ELIMINATE KABUTO JV INTERCOMPANY A/R WITH SDC		
S. COMMERCIAL OPS CONTRIBUTED CAPITAL	X	79,384,626.44
COMMERCIAL EARNINGS - PRIOR		14,991,166.86
COMMERCIAL EARNINGS - CURRENT YEAR		13,415,567.29
SDC INVEST IN GEN COMMERCIAL OPS - EARNINGS		
SDC INVEST IN GEN COMMERCIAL OPS - CONT CAPITAL		
SDC INVEST IN HAYDEN FERRY LAKESIDE		
SDC INVESTMENT IN OUTER LIMITS - PURCHASE		
SDC INVESTMENT IN FIDDLE (SCOTTS) - CONT CAPITAL		4,624,296.75
SDC INVESTMENT IN FIDDLE (SCOTTS) - EARNINGS		1,115,165.51
SDC INVESTMENT IN FUNTASTICKS - CONT CAPITAL		1,642,349.54
SDC INVESTMENT IN FUNTASTICKS - EARNINGS		

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SDC INVESTMENT IN FIDDLE (TEMPE) - CONT CAPITAL		2,980,199.30
SDC INVESTMENT IN FIDDLE (TEMPE) - EARNINGS		
SDC INVESTMENT IN APS PROPERTIES - EARNINGS		
SDC INVESTMENT IN BLACK CANYON CP - EARNINGS		
SDC INVESTMENT IN PV MARKETPLACE - EARNINGS		
SDC INVESTMENT IN PV PAVILIONS - EARNINGS		
SDC INVESTMENT IN ALAMEDA CROSSING		
SDC INVESTMENT IN PV CORNERSTONE		
INVESTMENT IN NWC DYSART & MCDOWELL		
SDC INVESTMENT IN PV CROSSING - EARNINGS		
SDC INVESTMENT IN PV OFFICE PARK - EARNINGS		
SDC INVESTMENT IN METROCENTER - EARNINGS		
SDC INVESTMENT IN REST PLACE - EARNINGS		103,015.12
SDC INVESTMENT IN LITCHFIELD OTHER - EARNINGS		
SDC INVESTMENT IN AUTOPLEX - EARNINGS		261,979.00
SDC INVESTMENT IN TALAVI - EARNINGS		236,688.89
SDC INVESTMENT IN LP PROF. PLAZA - EARNINGS		
SDC INVESTMENT IN WWOS - EARNINGS		2,044,837.21
ELIMINATE SDC INVESTMENT IN COMMERCIAL OPERATIONS #2000		
T. HIDDEN HILLS SDC CONTRIBUTED CAPITAL	X	13,394,122.70
GLAZ CONTRIBUTED CAPITAL, NET		
GLAZ INVESTMENT IN HIDDEN HILLS - CONT CAPITAL		3,770,897.47
HIDDEN HILLS EARNINGS - PRIOR		1,484,110.80
HIDDEN HILLS EARNINGS - CURRENT YEAR		909,961.68
SDC INVESTMENT IN HIDDEN HILLS - EARNINGS		
SDC INVESTMENT IN HIDDEN HILLS - CONT CAPITAL		
ELIMINATE SDC INVESTMENT IN HIDDEN HILLS JV #3300		
U. SDC INVESTMENT IN RANCHO VIEJO - EARNINGS	X	
SDC INVESTMENT IN RANCHO VIEJO - CAPITAL		
RANCHO VIEJO CONTRIBUTED CAPITAL		19,275,890.12
RANCHO VIEJO EARNINGS - PRIOR		3,936,793.28
RANCHO VIEJO EARNINGS - CURRENT YEAR		1,529,638.26
ELIMINATE SDC INVESTMENT IN RANCHO VIEJO JV #6600		
V. PV CONTRIBUTED CAPITAL	X	119,644,732.83
PV EARNINGS - PRIOR		32,965,357.73
PV EARNINGS - CURRENT YEAR		1,904,267.11
SDC INVESTMENT IN PALM VALLEY - EARNINGS		
SDC INVESTMENT IN PALM VALLEY - DEVELOP		
ELIMINATE SDC INVESTMENT IN PALM VALLEY #5500		
W. CORAL CANYON CONTRIBUTED CAPITAL		27,691,773.00
CORAL CANYON - PRIOR		
CORAL CANYON - CURRENT YEAR		
		DEBIT

SDC INVESTMENT IN CORAL CANYON - DEVELOP		
SDC INVESTMENT IN CORAL CANYON - EARNINGS		475,916.87

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X. CORAL CANYON ACCOUNTS PAYABLE	650,370.50
SDC ACCOUNTS RECEIVABLE	
ELIMINATE SDC INVESTMENT IN CORAL CANYON #3900	
Z SDC INTERCOMPANY WITH CORAL CANYON GOLF COURSE	
CORAL CANYON INTERCOMPANY WITH SDC	140,601.88
ELIMINATE SDC INVESTMENT IN CORAL CANYON GOLF CLUB	
AA RANCHLAND - CURRENT YEAR	
RANCHLAND - PRIOR YEARS EARNINGS	
RANCHLAND - CONTRIBUTED CAPITAL	1,120,126.48
RANCHLAND - DUE TO/FROM RANCHO VIEJO	176,174.00
RANCHO INVESTMENT IN RANCHLAND UTILITY-CAPITAL	
SDC INVESTMENT IN RL UTILITY-EARNINGS	217,956.29
RANCHO - DUE TO/FROM RANCHLAND UTILITIES	
ELIMINATE RANCHO INVESTMENT IN RANCHLAND UTILITY	
BB CLUB WEST - MINORITY INTEREST	473,000.00
CLUB WEST - SDC CONTRIBUTED CAPITAL	3,904,000.00
CLUB WEST - PRIOR EARNINGS	
CLUB WEST - CURRENT YEAR EARNINGS	
MINORITY INTEREST CURRENT-32%	198,388.16
MINORITY INTEREST PRIOR -32%	85,714.39
SDC INVESTMENT - EARNINGS	603,717.88
SDC INVESTMENT - CAPITAL	
CWGC CONTRIBUTED CAPITAL - MINORITY INT	
SDC INTERCOMPANY WITH CLUB WEST	
CLUB WEST - INTERCOMPANY WITH SDC	98,192.65
ELIMINATE SDC INVESTMENT IN CLUB WEST	
DECEMBER 2001 CONSOLIDATING & ELIMINATING ENTRIES	
	DEBIT

CC STONERIDGE CONTRIBUTED CAPITAL - SDC	
WLD CONTRIBUTED CAPITAL	
STONERIDGE PRIOR PERIOD EARNINGS	
STONERIDGE CURRENT PERIOD EARNINGS	361,755.68
STONERIDGE CONSTRUCTION AND MARKETING INTERCOMPANY WITH SDC	
STONERIDGE DEVELOPMENT INTERCOMPANY WITH SDC	
MINORITY INTEREST	10,380,987.30
MINORITY INTEREST IN EARNINGS	
SDC INVESTMENT IN STONERIDGE - CONTR CAPITAL	14,480,330.30
SDC INVESTMENT IN STONERIDGE - EARNINGS	
SDC INTERCOMPANY WITH STONERIDGE - CONSTRUCTION AND MARKETING	
SDC INTERCOMPANY WITH STONERIDGE DEVELOPMENT	73,027.80
SDC INTERCOMPANY WITH STONERIDGE GOLF COURSE DEVELOPMENT	43,826.59

TOTAL

\$568,834,461.95
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