

UNITED TECHNOLOGIES CORP /DE/
Form 11-K
October 25, 2002

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the Plan Period Ended December 31, 2001

Commission File Number 1-812

HAMILTON SUNDSTRAND de PUERTO RICO
SAVINGS PLAN

UNITED TECHNOLOGIES CORPORATION
One Financial Plaza
Hartford, Connecticut 06103

**Hamilton Sundstrand de Puerto Rico Savings Plan
Index to Financial Statements
December 31, 2001 and 2000**

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**FINANCIAL STATEMENTS OF THE
HAMILTON SUNDSTRAND DE PUERTO RICO SAVINGS PLAN**

REPORT OF INDEPENDENT AUDITORS

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To the Participants and Administrator of the
Hamilton Sundstrand de Puerto Rico Savings Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Hamilton Sundstrand de Puerto Rico Savings Plan (the "Plan") at December 31, 2001 and December 31, 2000, and the changes in net assets available for benefits for the year ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets (Held at End of Year) and Schedule of Non-exempt Transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Hartford, Connecticut
October 15, 2002

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Hamilton Sundstrand de Puerto Rico Savings Plan
Statements of Net Assets Available for Benefits

December 31, 2001 and 2000

	2001		2000
Assets:			
Investments (Note 3)	\$ 2,217,260	\$	1,808,012
Loans to participants	316,837		273,403
Total assets	2,534,097		2,081,415
Liabilities:			
Refund of excess contributions	-		19,479
Net Assets Available for Benefits	\$ 2,534,097	\$	2,061,936

The accompanying notes are an integral part of these financial statements.

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**Hamilton Sundstrand de Puerto Rico Savings Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2001**

2001

Additions to net assets attributed to:

Investment income:				
Interest		\$	442	
Dividends 59,932	Contributions: Participants' 856,506	Employer's 225,331	Total additions	
1,142,211	Deductions from net assets attributed to:	Net depreciation in fair value of investments	82,241	
Distributions to participants 555,425	Administrative expenses 32,384	Total deductions	670,050	Net
increase 472,161	Net Assets Available for Benefits, December 31, 2000	2,061,936		

Net Assets Available for Benefits, December 31, 2001

\$

2,534,097

The accompanying notes are an integral part of these financial statements.

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**Hamilton Sundstrand de Puerto Rico Savings Plan
Notes to Financial Statements**

NOTE 1 - DESCRIPTION OF THE PLAN

General. The Hamilton Sundstrand de Puerto Rico Savings Plan, formerly known as the Sundstrand de Puerto Rico Employee Savings Plan, (the "Plan") is a defined contribution plan covering all employees of Hamilton Sundstrand de Puerto Rico, Inc., an indirect subsidiary of United Technologies Corporation ("UTC"). The following is a brief description of the Plan. A complete description of the provisions of the Plan can be obtained by referring to the Plan document.

Contributions and Vesting.

Participants may elect to contribute, through payroll deductions, up to 8 percent of their eligible compensation, as defined by the Plan. Participants direct the investment of their contributions into various investment options offered by the Plan. As of December 31, 2001, the Plan offered 6 investment options to participants: three Growth Funds; one Income Fund; one Money Market Fund; and UTC Common Stock.

The company matching contribution is 100 percent of the participant's eligible contributions from the first 2 percent of base pay. Employer and participant contributions are deposited into the investment funds in accordance with the participants' elections.

Participant contributions, plus actual earnings thereon, are fully vested at all times under the Plan. Employer contributions, plus actual earnings thereon, become fully vested after three years of eligible service.

Participant Accounts.

Interest, dividends, and realized and unrealized gains and losses on investments of the funds are allocated directly to each participant's account by Banco Popular. Forfeited balances of terminated participants' nonvested accounts are used to reduce future employer contributions. For the year ended December 31, 2001, no forfeitures were used to reduce employer contributions.

Trustee and Recordkeeper

. All of the Plan's assets are held by Banco Popular, the Plan trustee, who also has participant account recordkeeping responsibilities.

Participant Loans. Participants may elect to borrow from their account balances a minimum of \$500 up to a maximum of \$50,000 or 50 percent of their account balances, whichever is less. The interest rate on participant loan withdrawals during 2001 was 9%.

Payment of Benefits. Generally, on termination of service due to death, disability, or retirement, benefits are paid in a lump sum to a terminating participant.

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**Hamilton Sundstrand de Puerto Rico Savings Plan
Notes to Financial Statements**

NOTE 2 - SUMMARY OF ACCOUNTING PRINCIPLES

Basis of Accounting.

The financial statements of the Plan are prepared under the accrual method of accounting, except for benefits, which are recorded when paid.

Investment Valuation and Income Recognition. The Plan's investments are stated at fair value as determined by the Plan trustee, typically by reference to published market data. The UTC Common Stock is valued at its year-end unit closing price. Participant loans are valued at cost, which approximates fair value.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is accrued when earned. Dividend income is recorded on the ex-dividend date.

Plan Expenses.

Administrative expenses, such as trustee, custodial and recordkeeping fees, were paid directly by the Plan in 2001.

Use of Estimates. The preparation of financial statements requires Plan management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

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Hamilton Sundstrand de Puerto Rico Savings Plan
Notes to Financial Statements

NOTE 3 - INVESTMENTS

The following presents investments that represent 5 percent or more of the Plan's net assets:

	2001	2000
Deutsch Asset Management Equity 500 Index Fund, 6,142 units	\$ 799,633	\$ N/A
Deutsch Asset Management U.S. Bond Index Premier Fund, 38,411 units	400,247	N/A
Market Fund, 373,553 units	373,553	N/A
Vanguard Small Cap Index Fund, 8,802 units	174,449	N/A
UTC Common Stock, 5,487 units	354,625	N/A
Vanguard S&P 500 Index Fund, 3,819 units		N/A
N/A		456,368

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Vanguard U.S. Growth Fund, 11,236 units N/A 310,682 Vanguard Life Strategy Growth Fund, 10,452 units N/A
 204,752 Vanguard Treasury Money Market Fund, 189,716 units N/A 189,716 Vanguard Windsor II Fund, 4,352
 units N/A 118,385 Vanguard Growth Index Fund, 3,484 units N/A 106,506

During 2001, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by \$82,241. Mutual fund investments depreciated by \$32,726 and the UTC Stock Fund depreciated by \$49,515.

NOTE 4 - RELATED-PARTY TRANSACTIONS

All Plan investment options are managed by Banco Popular. Banco Popular is the Plan's trustee and recordkeeper, as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

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Hamilton Sundstrand de Puerto Rico Savings Plan
 Notes to Financial Statements

NOTE 5 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Plan sponsor has the right under the Plan to terminate the Plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). In the event of Plan termination, participants will become fully vested in their account balances.

NOTE 6 - TAX STATUS

The Puerto Rico Department of Treasury ruled on June 1, 1994 that the Plan qualifies under section 165(a) of the Income Tax Act of 1954 (the "Act"), as amended. Therefore, the related trust is not subject to tax under present Puerto Rico income tax law. The Plan has been amended since receiving the determination letter. However, the Plan administrator and legal counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Act.

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Hamilton Sundstrand de Puerto Rico Savings Plan
 Form 5500, Schedule G, Part III - Schedule of Nonexempt Transactions
 For the Year Ended December 31, 2001

(a) Identity of Party Involved	(b) Relationship to Plan, Employer, or Other Party-In-Interest	(c) Description of Transactions Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Purchase Price	(e) Selling Price	(f) Lease Rental	(g) Expenses Incurred in Connection with Transactions	(h) Cost of Asset	(i) Current Value of Asset on Transaction Date	(j) Net Gain (Loss) on Each Transaction
UTC	Employer	A portion of	\$ 388	N/A	N/A	N/A	\$	\$ 388	--*

		April 2001 participant contributions were deposited into the Plan on May 22, 2001. The interest rate used to calculate lost income is 8%.					388		
UTC	Employer	A portion of June 2001 participant contributions were deposited into the Plan on August 1, 2001. The interest rate used to calculate lost income is 7%.	301	N/A	N/A	N/A	301	301	--*

* Department of Labor Reg. 2510.3-102 requires that employee contributions be submitted to the Plan no later than 15 business days following the end of the month in which amounts were withheld from compensation. Failure to remit employee contributions in to the Plan on a timely basis is considered a nonexempt transaction with a party-in-interest. Management believes that this transaction should not affect the tax-qualified status of the Plan as all such required payments were subsequently paid upon discovery. Therefore, no provision for income taxes has been included in the Plan's financial statements.

**Supplemental Schedule
Hamilton Sundstrand de Puerto Rico Savings Plan
Schedule H, line 4i - Schedule of Assets (Held at End of Year)
December 31, 2001**

* Indicates an identified person known to be a party-in-interest to the Plan

SIGNATURES

The Plan (or other persons who administer the employee benefit plan), pursuant to the requirements of the Securities Exchange Act of 1934, has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

HAMILTON SUNDSTRAND de PUERTO RICO

SAVINGS PLAN

Dated: October 22, 2002 By: /s/ Laurie P. Havanec Laurie P. Havanec

Director, Employee Benefits and Human Resources Systems

United Technologies Corporation