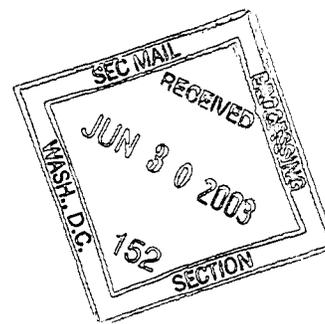


SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549



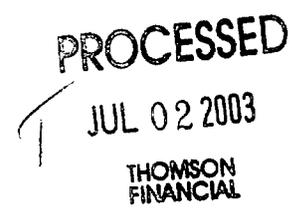
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FORM 11-K
ANNUAL REPORT

Pursuant to Section 15 (d) of the
Securities Exchange Act of 1934

For the fiscal year ended December 31, 2002

Commission File No. 1-442



BAO VOLUNTARY SAVINGS PLAN

THE BOEING COMPANY
100 N. Riverside Plaza
Chicago, Illinois 60606-1596

A handwritten signature in black ink, appearing to be "W. H. H. H.", located in the bottom right corner of the page.

BAO VOLUNTARY SAVINGS PLAN

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BAO Voluntary Savings Plan

*Financial Statements for the
Years Ended December 31, 2002 and 2001,
Supplemental Schedule as of
December 31, 2002, and
Independent Auditors' Report*

BAO VOLUNTARY SAVINGS PLAN

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**Deloitte
& Touche**

INDEPENDENT AUDITORS' REPORT

Employee Benefit Plans Committee and Members
The Boeing Company
Chicago, Illinois

We have audited the accompanying statements of net assets available for benefits of the BAO Voluntary Savings Plan (the "Plan") as of December 31, 2002 and 2001, and the related statements of changes in net assets available for benefits for the years then ended. 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 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 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2002 and 2001, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is 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. This schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic 2002 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte & Touche LLP

June 26, 2003

BAO VOLUNTARY SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2002 AND 2001

	2002	2001
ASSETS:		
Investments, at fair value:		
Interest in Master Trust	\$ 45,482,572	\$ 42,734,258
Loans to Members	<u>2,122,700</u>	<u>753,168</u>
	47,605,272	43,487,426
Receivables:		
Employer contributions	<u>241,811</u>	<u>87,609</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 47,847,083</u>	<u>\$ 43,575,035</u>

See notes to financial statements.

BAO VOLUNTARY SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS YEARS ENDED DECEMBER 31, 2002 AND 2001

	2002	2001
ADDITIONS:		
Investment income (loss):		
Income (loss) from Master Trust	\$ (4,659,379)	\$ 1,508,454
Investment income		219,086
Net depreciation in fair value of investments		(1,265,295)
Income from loans	82,653	19,160
Contributions:		
Employer	6,174,202	1,526,868
Member	<u>6,367,263</u>	<u>2,465,078</u>
Total additions	7,964,739	4,473,351
DEDUCTIONS:		
Benefits	3,692,691	973,513
Administrative expenses		<u>20,373</u>
	3,692,691	993,886
ASSETS TRANSFERRED FROM OTHER PLANS, net		<u>29,693,326</u>
NET ADDITIONS	4,272,048	33,172,791
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	<u>43,575,035</u>	<u>10,402,244</u>
End of year	<u>\$ 47,847,083</u>	<u>\$ 43,575,035</u>

See notes to financial statements.

BAO VOLUNTARY SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2002 AND 2001

1. DESCRIPTION OF THE PLAN

The following description of the BAO Voluntary Savings Plan (the "Plan"), formerly the Voluntary Savings Plan for BAO Aircraft and Trainer Operations Employees, provides only general information. Eligible participants as defined by the Plan ("Members") should refer to the Plan document for a more complete description of the Plan's provisions.

General—The Plan is a defined contribution savings plan that covers substantially all employees of Boeing Aerospace Operations, Inc. (the "Company"). Eligible employees may elect to participate on the first day of the month following their employment commencement date.

Investors Bank & Trust Company served as trustee from April 21, 2000, to May 31, 2001. Universal Pensions, Inc. and Sterling Trust Company served as recordkeeper and custodian, respectively, from June 1, 2001, to November 13, 2001.

Effective October 19, 2001, the Plan name was changed from the Voluntary Savings Plan for BAO Aircraft and Trainer Operations Employees to the BAO Voluntary Savings Plan. On November 13, 2001, the BAO Deferred Compensation Voluntary Savings Plan, the BAO Retirement and Savings Plan, and the Voluntary Savings Plan for BAO Florida IAM Employees merged into the Plan. Simultaneous with the merger of these plans, the assets were transferred to The Boeing Company Employee Savings Plans Master Trust (the "Master Trust"), formerly named The Boeing Company Voluntary Investment Plan and Employee Financial Security Plan Master Trust. State Street Bank and Trust Company ("SSBT") serves as trustee for the Master Trust.

Contributions—Members may elect to contribute, subject to statutory limitations, between 1% and 15% of their base compensation. The funds are valued daily. Members may elect to change contribution percentages to be effective the next pay period after the request is received or as soon as administratively possible. The allocation of both their contributions and employer matching contributions to the funds may be changed at any time and become effective on the day of the change or the next business day according to the stock market close of business. The Plan allows active employees to contribute to the Plan from pretax compensation, after-tax compensation, or a combination of both.

Under the terms of the Plan, the Company may make a matching contribution for certain eligible Members based on the union or government contract they are in. In addition, the Company may also contribute a defined percentage of base compensation to a fully vested retirement account for eligible Members, based on the contract they are in.

For descriptions of each contract/group, refer to the Plan document.

Members' Accounts—Each Member's account is credited with the Member's contribution and allocations of the Company's contribution, Plan earnings (loss), and charged with an allocation of certain administrative expenses. The benefit to which a Member is entitled is the benefit that can be provided from the Member's vested account.

Vesting—Member contributions, both pretax and after-tax, employer matching contributions, retirement contributions, and earnings on those contributions are immediately vested.

Withdrawals—Members may elect to withdraw all or a portion of their employee contribution accounts, after-tax contribution accounts, retirement accounts, employer matching accounts, and rollover accounts at any time on or after the date the Member attains age 59-1/2. If a Member is under age 59-1/2, withdrawals from pretax contribution accounts are subject to certain hardship rules as provided by the Plan. If a Member takes a hardship withdrawal, the Member may continue contributions to the Plan; however, employer matching contributions will be suspended for six months following the withdrawal.

In addition, a Member may elect to withdraw all or part of his or her employer matching account before the Member attains age 59-1/2, but only if the Member has attained his or her fifth anniversary of employment. If such a withdrawal is made, employer matching contributions will be suspended for six months following the withdrawal. Company contributions may be fully withdrawn upon termination of employment. Withdrawals of after-tax contributions and rollover contributions can be made at any time.

Loans—Members are permitted to borrow up to the lesser of \$50,000 or 50% of the total value of their total vested account balances and may have two loans within the Company savings plans outstanding at any time. Loans may be additionally limited in accordance with Plan provisions. The interest rate on new loans is set every month equal to the prime rate published in the *Wall Street Journal* as of the last business day of the calendar month immediately preceding the date of the loan. The range of interest rates was 4.25% to 4.75% and 5.0% to 9.5% for the years ended December 31, 2002 and 2001, respectively.

Loan repayment is made through regular payroll deductions over a period of up to 60 months for general loans and over a longer period for loans used to finance the purchase of a principal residence. If a Member's employment terminates for any reason and the loan balances are not paid in full within 90 days of termination, the loan balances will be cancelled and become taxable income to the Members. Certain members may continue to make loan repayments after termination of employment under procedures established by the Plan administrator.

Benefit Payments—On termination of service, a Member may elect to receive either a lump-sum amount equal to the value of the Member's vested interest in his or her account; monthly, quarterly, semiannual, or annual installments of a fixed dollar amount or for a specific number of years up to 10 years. A Member may elect to have his or her Boeing Stock Fund balance paid in shares and/or cash.

Investment Options—Upon enrollment in the Plan, Members may direct their contributions and any employer matching contributions and retirement contributions to any of the 11 Master Trust investment options, consisting of common/collective trusts, mutual funds, and Boeing common stock.

Prior to the assets of the Plan moving to the Master Trust, the Plan offered four investment options.

Termination—In the event of termination of the Plan, both Member and Company contributions, including any income earned, will be distributed to the Members upon request.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Valuation of Investments—Investments in the Master Trust are valued as follows:

- a) Shares in mutual funds are valued at quoted market prices, which represent the net asset value as of the last trading day of the year.
- b) Investments in common/collective trust funds are valued based on the year-end unit value; unit values are determined by the issuer by dividing the quoted fair values of the total net assets at year end by the outstanding units.
- c) Guaranteed investment contracts (“GICs”) are valued at contract value.
- d) Boeing common stock is valued at the closing price as of the last trading day of the year.
- e) The Short Term Investment fund is a common/collective trust fund and assets in the fund are stated at amortized cost, which approximates fair value.
- f) Member loans are valued at cost, which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Investment income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The net appreciation/depreciation in fair value of investments includes both realized and unrealized gains or losses and is calculated as the difference between the fair value of the assets as of the beginning of the Plan year or the purchase date in the current year, and either the sales price or the end of year fair value.

Benefits—Benefits are recorded when paid.

Forfeitures—Upon termination of service prior to October 19, 2001, any portion of the balance in a Member’s Company account that was not vested was forfeited and applied to reduce the amount of Company contributions. The amount available to reduce future Company contributions is \$48,112 and \$47,531 at December 31, 2002 and 2001, respectively.

Expenses—Necessary and proper expenses of the Plan are paid from the Plan assets at the Master Trust level except for those expenses the Company is required by law or chooses to pay.

Reclassifications—Certain reclassifications were made to the prior year financial information to conform with the current year presentation.

3. NET DEPRECIATION IN FAIR VALUE OF INVESTMENTS

The Plan’s investments were transferred to the Master Trust at November 13, 2001. All investment gains and losses subsequent to November 13, 2001, are reflected in the income allocation from the

Master Trust. For the period ended November 13, 2001, net realized and unrealized loss on investments by type of investment (including investments bought and sold, as well as held) was as follows:

Mutual funds	\$ (779,759)
Boeing common stock	<u>(485,536)</u>
	<u>\$ (1,265,295)</u>

4. MASTER TRUST

The Master Trust is composed of 11 funds. The assets are invested and managed jointly and then allocated between six plans. The allocation of net assets available for benefits is based on the respective number of units held by the plans' Members as of plan year end. The allocation of the changes in net assets available for benefits is calculated daily based on the units held by the plans' Members as of that day's end.

At December 31, 2002 and 2001, the assets of the following plans were combined into the Master Trust:

- The Boeing Company Voluntary Investment Plan
- The Boeing Company Employee Financial Security Plan
- BAO Voluntary Savings Plan
- Employee Payroll Stock Ownership Plan of McDonnell Douglas Corporation
- Employee Retirement Income Plan of McDonnell Douglas Corporation – Defined Contribution Plan
- Employee Retirement Income Plan of McDonnell Douglas Corporation – Hourly Defined Contribution Plan

During the 2001 plan year, the following plans moved into the Master Trust: effective March 28, 2001, Employee Payroll Stock Ownership Plan of McDonnell Douglas Corporation; effective June 27, 2001, Employee Retirement Income Plan of McDonnell Douglas Corporation – Defined Contribution Plan and Employee Retirement Income Plan of McDonnell Douglas Corporation – Hourly Defined Contribution Plan; and effective November 13, 2001, BAO Voluntary Savings Plan.

The Plan's interest in the Master Trust was \$45,482,572 and \$42,734,258, representing 0.3% and 0.2% of the Master Trust's net assets at December 31, 2002 and 2001, respectively.

The following table presents the fair values of investments for the Master Trust at December 31:

	2002	2001
Investments at fair value:		
Common/collective trusts	\$ 6,733,348,404	\$ 7,887,664,287
Mutual funds	1,784,603,062	2,810,749,995
Boeing common stock	<u>2,292,343,800</u>	<u>2,698,872,810</u>
	10,810,295,266	13,397,287,092
Investments at contract value:		
Guaranteed investment contracts	<u>6,163,974,816</u>	<u>5,375,458,740</u>
Total Master Trust investments	<u>\$ 16,974,270,082</u>	<u>\$ 18,772,745,832</u>

The following is a reconciliation of benefits paid to Members per the financial statements for the year ended December 31, 2002, to Form 5500:

Benefits paid to Members per the financial statements	\$3,692,691
Amounts allocated to withdrawing Members	<u>(31,339)</u>
	3,661,352
Amounts deemed distributions of Member loans as reflected in the Form 5500	<u>(18,427)</u>
Benefits paid to Members per Form 5500	<u>\$3,642,925</u>

Amounts allocated to withdrawing Members are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31 but not yet paid as of that date.

8. RELATED PARTY TRANSACTIONS

Certain Master Trust investments are managed by SSBT. SSBT is the trustee as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions. The investment management fees for the Plan are paid at the Master Trust level.

9. TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated May 9, 2000, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter; however, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Therefore, the Plan administrator believes the Plan's tax-exempt status has not been affected, and no provision for income taxes has been included in the Plan's financial statements.

10. SUBSEQUENT EVENT

On January 1, 2003, certain eligible employees are able to increase their contribution percentage to a maximum of 20% of the base pay, pretax, and after-tax contributions combined.

* * * * *

BAO VOLUNTARY SAVINGS PLAN

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES DECEMBER 31, 2002

Security Name	Description	Fair Value
Interest in Master Trust *Loans to Members	Interest 4.25% to 4.75%	\$ 45,482,572 <u>2,122,700</u>
Total		<u>\$ 47,605,272</u>

*Party-in-interest

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

BAO VOLUNTARY SAVINGS PLAN



**Harry S. McGee III
Vice President
Financial Services and Chief Financial Officer
Shared Services Group**

Date: 6/26/2003

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 333-73252 and No. 333-35324 of The Boeing Company on Form S-8 of our report dated June 26, 2003, appearing in this Annual Report on Form 11-K of the BAO Voluntary Savings Plan for year ended December 31, 2002.

Deloitte Touche LLP

DELOITTE & TOUCHE LLP

Seattle, Washington
June 26, 2003

EXHIBIT (99.1)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of the BAO Voluntary Savings Plan (the "Plan") on Form 11-K for the period ending December 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Laurette T. Koellner, in my capacity as Executive Vice President, Office of the Chairman and Chief People and Administration Officer and as Chairman of the Employee Benefit Plans Committee of The Boeing Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the net assets available for benefits and changes in net assets available for benefits of the Plan.



Laurette T. Koellner
Executive Vice President,
Office of the Chairman and
Chief People and Administration Officer
Chairman of the Employee Benefit Plans Committee
The Boeing Company

Date: 27 Jun 2003

A signed original of this written statement required by Section 906 has been provided to the Plan and will be retained by the Plan and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT (99.2)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of the BAO Voluntary Savings Plan (the "Plan") on Form 11-K for the period ending December 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Harry S. McGee, in my capacity as Vice President of Financial Services and Chief Financial Officer of the Shared Services Group of The Boeing Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the net assets available for benefits and changes in net assets available for benefits of the Plan.


Harry S. McGee
Vice President of Financial Services and
Chief Financial Officer
Shared Services Group
The Boeing Company

Date: 26 June 2003

A signed original of this written statement required by Section 906 has been provided to the Plan and will be retained by the Plan and furnished to the Securities and Exchange Commission or its staff upon request.