

Edgar Filing: FORD MOTOR CO - Form 11-K

FORD MOTOR CO
Form 11-K
June 18, 2002

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the fiscal year ended December 30, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from _____ to _____

Commission file number 1-3950

FORD MOTOR COMPANY TAX-EFFICIENT
SAVINGS PLAN FOR HOURLY EMPLOYEES
(Full title of the plan)

FORD MOTOR COMPANY
One American Road
Dearborn, Michigan 48126

(Name of issuer of the securities held
pursuant to the plan and the address of
its principal executive office)

2

Required Information

Edgar Filing: FORD MOTOR CO - Form 11-K

Financial Statements and Schedules

Statement of Net Assets Available for Plan Benefits, as of December 30, 2001 and December 30, 2000.

Statement of Changes in Net Assets Available for Plan Benefits for the year ended December 30, 2001.

Schedule I - Schedule of Assets Held for Investment Purposes as of December 30, 2001.

Exhibit

Designation -----	Description -----	Method of Filing -----
Exhibit 23	Consent of PricewaterhouseCoopers LLP	Filed with this Report.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Ford Motor Company Tax-Efficient Savings Plan for Hourly Employees Committee has duly caused this Annual Report to be signed by the undersigned thereunto duly authorized.

TAX-EFFICIENT SAVINGS PLAN FOR
HOURLY EMPLOYEES

By: /s/ Charles E. Corbett

Charles E. Corbett, Chair
Tax-Efficient Savings Plan for
Hourly Employees Committee

June 18, 2002

3

EXHIBIT INDEX

Designation -----	Description -----	Sequential Page Number at Which Found -----
Exhibit 23	Consent of PricewaterhouseCoopers LLP	

Edgar Filing: FORD MOTOR CO - Form 11-K

Ford Motor Company
Tax-Efficient Savings Plan
for Hourly Employees
Report on Audits of Financial Statements and
Supplemental Schedules
December 30, 2001 and 2000

Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees
Contents

Report of Independent Accountants.....

Financial Statements
Statement of Net Assets Available for Benefits
as of December 30, 2001 and 2000.....

Statement of Changes in Net Assets Available for
Benefits for the Year Ended December 30, 2001.....

Notes to Financial Statements.....

Supplemental Schedules*
Schedule I - Schedule of Assets Held at End of Year
as of December 30, 2001.....

* All other schedules required by 29 CFR 2520.103-10 are not included because they are not applic

Report of Independent Accountants

To the Board of Directors of
Ford Motor Company

Edgar Filing: FORD MOTOR CO - Form 11-K

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of Ford Motor Company Tax-Efficient Savings Plan for Hourly Employees (the "Plan") at December 30, 2001 and 2000, and the changes in net assets available for benefits for the year ended December 30, 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 as of December 30, 2001 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 supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/PricewaterhouseCoopers LLP

June 10, 2002

1

Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees
Statement of Net Assets Available for Benefits
As of December 30, 2001 and 2000

		2000	
	2001	Allocated	Unallocated
Assets			
Investments, at fair value	\$ 3,540,430,917	\$ 4,095,070,155	\$ 42,682,473
Participant loans	232,788,943	219,484,117	-
	-----	-----	-----
Total assets	3,773,219,860	4,314,554,272	42,682,473
Liabilities			
Employee stock ownership plan, loan payable	-	-	46,589,680
Employee stock ownership plan,			

Edgar Filing: FORD MOTOR CO - Form 11-K

interest payable	-	-	272,182	
	-----	-----	-----	-----
Total liabilities	-	-	46,861,862	
	-----	-----	-----	-----
Net assets available for benefits	\$ 3,773,219,860	\$ 4,314,554,272	\$ (4,179,389)	\$
	-----	-----	-----	-----

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

2

Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 30, 2001

	Allocated	Unallocated	
Additions			
Addition to net assets attributed to			
Allocation of 1,821,080 shares of Ford common stock, at fair value	\$ 41,329,763		\$
Interest and dividends	104,247,030	\$ 48,597,485	
	-----	-----	-----
	145,576,793	48,597,485	
Contributions			
Employee contributions	363,457,203	-	
Other additions			
Loan repayment (principal)	(14,872)	-	
Loan repayment (interest)	16,267,540	-	
	-----	-----	-----
	16,252,668	-	
	-----	-----	-----
Total additions	525,286,664	48,597,485	
Deductions			
Deductions from net assets attributed to			
Allocation of 1,821,080 shares of Ford common stock, at fair value		(41,329,763)	
Net depreciation in fair value of investments	(856,395,164)	(1,264,605)	
Withdrawal of participants' accounts	(198,213,766)		
Participant loans	15,200		
Administrative expenses	(898)		
Interest expense		(1,823,728)	
Transfers out to other plans	(12,026,448)		
	-----	-----	-----
Total deductions	(1,066,621,076)	(44,418,096)	(1)
	-----	-----	-----
Net (decrease) increase	(541,334,412)	4,179,389	
	-----	-----	-----
Net assets available for benefits			
Beginning of year	4,314,554,272	(4,179,389)	4

End of year

\$ 3,773,219,860

\$

-

\$

3

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

3

Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees
Notes to Financial Statements

1. Description of the Plan

The following description of the Ford Motor Company Tax-Efficient Savings Plan for Hourly Employees (the "Plan") provides only general information. The Plan was established effective January 1, 1985. The provisions of the Plan are governed in all respects by the detailed terms and conditions contained in the Plan agreement.

Type and purpose of the plan

The Plan is a defined contribution plan established to encourage and facilitate systematic savings and investment by eligible hourly employees of Ford Motor Company (the "Company") and to provide them with an opportunity to become stockholders of the Company. The Plan includes provisions for voting shares of Company stock. It is subject to certain provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") applicable to defined contribution pension plans.

Eligibility and vesting

Hourly employees are eligible to participate in the Plan three months after their original date of hire. Certain other part-time and temporary employees may also be eligible to participate in the Plan. Participation in the Plan is voluntary. Employees vest 100% immediately in the Plan.

Contributions

Under the Plan and subject to limits required to be imposed by the Internal Revenue Code, participants may elect to contribute up to 25% of their eligible wages on either or both a pre-tax or after-tax basis. Participants may also elect reductions in their distributions under the Company's Profit Sharing Plan to be contributed to the Plan. Such pre-tax contributions are excluded from participants' taxable income.

Participant accounts

Each participant's account is credited with the participant's contributions and an allocation of plan earnings. Allocations are based on participant earnings or account balances, as defined. The Company pays administrative expenses and fees of the Ford Stock Fund and the management fees of Common Stock Index Fund and Bond Index Fund. All other fees and expenses are deducted from participant account funds. The fees charged to individual participant account fund assets totaled approximately \$56,000 and \$78,000 for the years ended December 30, 2001 and 2000, respectively. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Edgar Filing: FORD MOTOR CO - Form 11-K

Distributions

Plan assets may not be withdrawn by participants until the termination of their employment or until they reach 59-1/2, except in the case of personal financial hardship. At any time or from time to time prior to termination of employment, a member may withdraw all or part of the cash value of assets in his or her After-Tax Savings Account that are attributable to his or her After-Tax Savings Contributions and earnings thereon.

4

Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees
Notes to Financial Statements

1. Description of the Plan (continued)

Investment options and participation

Participant contributions are invested in accordance with the participant's election in one or more of several investment options. A variety of investment options are available to the participants such as guaranteed investment contract, mutual funds, common and commingled stock.

Transfers of assets

The Plan permits the transfer of assets among investment options.

Participant loans

The Plan permits loans to participants from both their Pre-Tax and After-Tax Program accounts. Monthly loan interest rates are based on the prime rate published in The Wall Street Journal.

A participant is eligible to take out one loan per calendar year, and to have only four loans outstanding at any one time. Regular loans may be for a minimum of one year, but not exceeding five years. Home loans may be for a minimum of one year, but not exceeding ten years.

Investment contracts with insurance companies

During 2001 and 2000, the Plan held seven benefit-responsive investment contracts with various insurance companies. The contracts are included in the financial statements at their contract values as reported to the Plan by the companies. There is no immediate recognition of investment gains and losses on the fixed income securities. Instead, the gain or loss is recognized over time by adjusting the interest rate credited to the fund under the contracts.

There were no reserves against contract value for credit risk of the contract issuer or otherwise during 2001 and 2000. The average yield and crediting interest rates were approximately 6.31% for 2001 and 6.16% for 2000. The crediting interest rate is based on a formula agreed upon with the issuer, but may not be less than 0%. Such interest rates are reviewed on an annual basis for resetting.

Related-party transactions

Certain Plan investments are shares of mutual funds managed by Fidelity Investments. Fidelity Investments is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services amounted to \$899 for the year ended December 30, 2001.

Edgar Filing: FORD MOTOR CO - Form 11-K

Employee stock ownership plan

The Company, by action of the Board of Directors, established an Employee Stock Ownership Plan ("ESOP") within the Plan effective January 1, 1989. The Plan operates in part as a leveraged ESOP, and is designed to comply with Section 4975(e)(7) and the regulations there under of the Internal Revenue Code of 1986, as amended ("Code") and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

5

Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees
Notes to Financial Statements

1. Description of the Plan (continued)

Employee stock ownership plan (continued)

The Plan purchased Company common shares using the proceeds of loans from the Company (see Note 4), and holds the stock in a trust established under the Plan. The borrowings were repaid quarterly over the period ended December 3, 2001. As the Plan made each payment of principal, an appropriate percentage of stock was allocated to eligible employees' accounts in accordance with applicable regulations under the Code. Shares vested fully upon allocation.

The borrowings were collateralized by the unallocated shares of stock and were guaranteed by the Company. The Company has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to:

- a) the accounts of employees with vested rights to allocated stock ("Allocated") and
- b) stock not yet allocated to employees ("Unallocated").

2. Summary of Significant Accounting Policies

Basis of accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Investments

The investment in the Ford Stock Fund and the investments in all other funds except the Stable Value Income Fund are valued on the basis of quoted year-end market prices. Investments in the Stable Value Income Fund, primarily fixed rate insurance contracts, are stated at contract value, which approximates fair value. Contract value represents contributions made under the contracts, plus interest at the contract, less funds to pay benefits and administrative expenses charged by the insurance companies. Participant loans are valued at cost, which approximates fair value.

Contributions

Contributions to the Plan from employees are recorded in the period that payroll deductions are made from plan participants.

Payment of benefits

Benefits are recorded when paid.

Edgar Filing: FORD MOTOR CO - Form 11-K

Use of estimates in the preparation of financial statements
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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

6

Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees
Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Risks and uncertainties

The Plan's invested assets ultimately consist of common stock, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits and the statement of changes in net assets available for benefits.

Other

Purchases and sales of investments are reflected on a trade-date basis. The Plan presents in the statement of changes in net assets available for benefits the net appreciation (depreciation) in the fair value of its investments which consists of the Plan's realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis.

3. Investments

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

	December 30, 2001		December 2000	
	Shares	Market value	Shares	Market value
Interest Income Fund	743,121,664	743,121,664	638,071,797	638,071,797
Ford Stock Fund	256,877,796	1,591,810,482	277,802,876	2,162,911,482
Common Stock Index Fund	4,735,038	271,676,231	4,622,703	319,709,482
Participant loans	232,788,943	232,788,943	219,484,117	219,484,117

During 2001, the Plan's investments depreciated in value by \$857,659,769 as follows:

Edgar Filing: FORD MOTOR CO - Form 11-K

Mutual funds	\$ 124,635,913
Ford common stock	691,744,653
Common and commingled trust fund	41,279,203

	\$ 857,659,769

4. Plan Amendment

Effective April 1, 2002, the Plan was amended to increase the amount an employee is able to contribute from 25% to 40% of base pay, subject to Internal Revenue Service limits.

7

Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees
Notes to Financial Statements

5. Loan Payable

The Plan obtained loans from the Company to purchase shares of Company common stock for quarterly allocation. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over the period ended December 3, 2001. The following summarizes the loans outstanding during the year:

Date of loan	Original principle balance	Interest rate	Total quarterly payments	Number of quarterly payments	Date of first payment
06/28/00	28,800,000	6.54%	715,276	7	08/10/00
08/31/00	62,510,000	7.04%	11,456,096	6	09/01/00

All loans were either paid off or matured prior to December 30, 2001.

The Company shares are held in an unallocated account within the Plan until quarterly loan payments are made. The trustee purchases additional shares to the extent that shares released from the unallocated account are not adequate to satisfy the requirement for dividend shares allocated to participants' accounts. Cash dividends earned on Company common stock are held in the Plan and are generally used to make quarterly loan payments. If cash is not available to make the full payment, the trustee may sell shares held in the unallocated account or the Company, at its option, may elect to make additional contributions to the Plan. If cash exceeds the loan payment amounts, the cash is used to reduce the Company's contribution for additional share requirements.

6. Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Company by letter dated January 26, 1995, that the Plan and the related trust are designed in accordance with applicable sections of the Internal Revenue Code (the "Code"). The Plan has since been amended, and the Plan sponsor has applied for an updated IRS letter. The Plan sponsor and tax counsel believe that the Plan is currently designed and being operated in compliance with the Code. Therefore, no provision for income

Edgar Filing: FORD MOTOR CO - Form 11-K

taxes has been included in the Plan's financial statements.

7. Administration of Plan Assets

The Plan's assets, which consist principally of the Company common shares, are held by the Trustee of the Plan, Fidelity Investments.

Certain administrative functions are performed by officers or employees of the Company or its subsidiaries. No such officer or employee receives compensation from the Plan. Comerica Bank administers the payment of interest and principal for the loan payable.

8

Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees
Notes to Financial Statements

8. Plan Termination

The Company, by action of the Board of Directors, may terminate the Plan at any time. Termination of the Plan would not affect the rights of a participant as to the continuance of investment, distribution or withdrawal of the securities, cash and cash value of the Ford Stock Fund units in the account of the participant as of the effective date of such termination. There are currently no plans to terminate the Plan.

9

Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees
Schedule of Assets Held at End of Year
As of December 30, 2001

Supplemental Schedule
Page 1

(a)	(b)	(c)	(d)	(e)
Identity of issuer, lessor, borrower or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost**	Cu	Cu
* Interest Income Fund Fidelity Investments	Interest Income Fund, 743,121,664 units CDC Financial Products, 6.13%, due 5/15/03 Combined Insurance Company, 6.97%, due 4/26/02 Combined Insurance Company, 6.22%, due 6/9/03 GE Life and Annuity ASR, 6.26%, due 3/17/03 GE Life and Annuity ASR, 6.24%, due 11/15/02 Safeco Life Insurance Company, 6.199%, due 2/15/02 United of Omaha, 6.15%, due 6/12/02 Other			\$

Edgar Filing: FORD MOTOR CO - Form 11-K

Total Interest Income Fund

Investment Funds	
* Fidelity Investments	T. Rowe Price Spectrum Growth Fund, 226,363 units
* Fidelity Investments	Scudder International Fund, 89,031 units
* Fidelity Investments	Vanguard LifeStrategy Conservative Growth Fund, 76,089 units
* Fidelity Investments	Domini Social Equity Fund, 25,411 units
* Fidelity Investments	T. Rowe Price Spectrum Income Fund, 158,338 units
* Fidelity Investments	Vanguard LifeStrategy Moderate Growth Fund, 166,294 units
* Fidelity Investments	T. Rowe Price New Horizons Funds, 894,602 units
* Fidelity Investments	Scudder Global Fund, 59,912 units
* Fidelity Investments	Vanguard LifeStrategy Growth Fund, 260,521 units
* Fidelity Investments	T. Rowe Price International Stock Fund, 497,657 units
* Fidelity Investments	Scudder Global Discovery Fund, 139,487 units
* Fidelity Investments	T. Rowe Price International Discovery Fund, 324,456 units
* Fidelity Investments	Scudder Income Fund, 135,574 units
* Fidelity Investments	T. Rowe Price New Asia Fund, 534,178 units
* Fidelity Investments	Scudder Growth and Income Fund, 347,083 units
* Fidelity Investments	T. Rowe Price High Yield Fund, 600,366 units
* Fidelity Investments	Scudder Greater Europe Growth Fund, 510,631 units
* Fidelity Investments	Vanguard Explorer Fund, 161,589 units
* Fidelity Investments	T. Rowe Price New Era Fund, 118,485 units
* Fidelity Investments	Scudder Japan Fund, 412,990 units
* Fidelity Investments	Vanguard International Value Fund, 72,770 units
* Fidelity Investments	T. Rowe Price Latin America Fund, 350,260 units
* Fidelity Investments	Vanguard Value Index Fund, 381,879 units
* Fidelity Investments	Vanguard Growth Index Investment Fund, 1,292,469 units
* Fidelity Investments	Vanguard Investment Index Plus Fund, 776,851 units
* Barclays Global Investors	Bond Index Fund, 1,440,697 units
* Ford Motor Company	Ford Stock Fund, 277,802,876 units
* Comerica Bank, N. A.	Common Stock Index Fund, 4,622,703 units

Ford Motor Company Tax-Efficient
Savings Plan for Hourly Employees
Schedule of Assets Held at End of Year
As of December 30, 2001

Supplemental Schedule
Page 2

(a)	(b)	(c)	(d)
Identity of issuer, lessor, borrower or similar party		Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost**

Edgar Filing: FORD MOTOR CO - Form 11-K

*	Fidelity Investments	Fidelity Funds, 899,271 units	\$
*	Fidelity Investments	Fidelity Puritan Fund, 541,144 units	
*	Fidelity Investments	Fidelity Trend Fund, 37,203 units	
*	Fidelity Investments	Fidelity Magellan Fund, 1,174,463 units	
*	Fidelity Investments	Fidelity Contrafund, 2,499,746 units	
*	Fidelity Investments	Fidelity Equity-Income Fund, 445,018 units	
*	Fidelity Investments	Fidelity Growth Company Fund, 1,502,192 units	
*	Fidelity Investments	Fidelity Investment Grade Bond Fund, 966,342 units	
*	Fidelity Investments	Fidelity Growth and Income Portfolio, 2,068,813 units	
*	Fidelity Investments	Fidelity Value Fund, 409,966 units	
*	Fidelity Investments	Fidelity Government Income Fund, 629,568 units	
*	Fidelity Investments	Fidelity Retirement Growth Fund, 1,590,124 units	
*	Fidelity Investments	Fidelity Overseas Fund, 271,506 units	
*	Fidelity Investments	Fidelity Europe Fund, 215,407 units	
*	Fidelity Investments	Fidelity Pacific Basin Fund, 158,689 units	
*	Fidelity Investments	Fidelity Real Estate Investment Portfolio Fund, 523,204 units	
*	Fidelity Investments	Fidelity Balanced Fund, 408,232 units	
*	Fidelity Investments	Fidelity International Growth and Income Fund, 142,358 units	
*	Fidelity Investments	Fidelity Capital Appreciation Fund, 389,868 units	
*	Fidelity Investments	Fidelity Canada Fund, 75,254 units	
*	Fidelity Investments	Fidelity Utilities Fund, 790,179 units	
*	Fidelity Investments	Fidelity Asset Manager, 582,427 units	
*	Fidelity Investments	Fidelity Worldwide Fund, 284,749 units	
*	Fidelity Investments	Fidelity Stock Selector, 498,623 units	
*	Fidelity Investments	Fidelity Asset Manager Growth, 704,977 units	
*	Fidelity Investments	Fidelity Asset Manager Income, 243,577 units	
*	Fidelity Investments	Fidelity Dividend Growth Fund, 2,190,469 units	
*	Fidelity Investments	Fidelity New Markets Income Fund, 588,868 units	
*	Fidelity Investments	Fidelity Global Balanced Fund, 41,195 units	
*	Fidelity Investments	Fidelity Small Capital Selector Fund, 614,057 units	
*	Fidelity Investments	Fidelity International Bond Fund, 43,190 units	
*	Fidelity Investments	Citizens Glbl. Eq. Ins., 15,355 units	
		Total Investment Funds	2
	Participant Loans		
*	Participant Loans	Participant loans, interest rates varying from 4.75 to 9.5%	
		Total investments	\$ 3,

* Denotes party-in-interest

**Not required per Department of Labor Reporting 29 CFR 2520.103-10.