

Edgar Filing: SPRINT CORP - Form 11-K

SPRINT CORP  
Form 11-K  
June 25, 2004

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003.

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

Commission File Number 1-04721

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

SPRINT RETIREMENT SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

SPRINT CORPORATION  
6200 SPRINT PARKWAY  
OVERLAND PARK, KS 66251

SPRINT RETIREMENT SAVINGS PLAN

2003 ANNUAL REPORT

Edgar Filing: SPRINT CORP - Form 11-K

WITH

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

SPRINT RETIREMENT SAVINGS PLAN

Index to Financial Statements

Report of Independent Registered Public Accounting Firm

Financial Statements

o Statements of Net Assets Available for Benefits as of December 31, 2003 and 2002	1
o Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2003, 2002, and 2001	2
o Notes to Financial Statements	3

Supplemental Schedule

o Schedule I Schedule H, Line 4(i): Schedule of Assets (Held at End of Year)	13
--	----

Report of Independent Registered Public Accounting Firm

The Employee Benefits Committee  
Sprint Corporation

We have audited the accompanying statements of net assets available for benefits of the Sprint Retirement Savings Plan (the Plan) as of December 31, 2003 and 2002, and the related statements of changes in net assets available for benefits for each of the three years in the period ended December 31, 2003. These financial statements are the responsibility of the Plan's management. Our

Edgar Filing: SPRINT CORP - Form 11-K

responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2003 and 2002, and the changes in its net assets available for benefits for each of the three years in the period ended December 31, 2003, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2003 is presented for purposes of additional analysis and is not a required part of the 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 our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Kansas City, Missouri  
June 11, 2004

SPRINT RETIREMENT SAVINGS PLAN  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
(Thousands of Dollars)

As of December

2003  
-----

PLAN ASSETS

Edgar Filing: SPRINT CORP - Form 11-K

Investments at current value	\$ 2,430,802
Receivables:	
Receivables for unsettled security sales	1,140
Transfers receivable	415
Contributions receivable	11
Other receivables	4
Accrued interest and dividend income	14
	-----
Total assets	2,432,386
	-----
PLAN LIABILITIES	
Forfeiture payable	1
Accrued investment expenses	54
Payable for unsettled security purchases	1,197
Other payables	782
	-----
Total liabilities	2,034
	-----
Net assets available for benefits	\$ 2,430,352
	-----
	-----

See Notes to Financial Statements

SPRINT RETIREMENT SAVINGS PLAN  
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
(Thousands of Dollars)

	For the Year	
	2003	
	-----	-----
Investment Income (loss):		
Interest	\$ 6,196	\$
Dividends	37,404	
Net realized and unrealized appreciation (depreciation) in the current value of investments	368,745	
	-----	-----
Net investment income (loss)	412,345	

Edgar Filing: SPRINT CORP - Form 11-K

Contributions - employer (net)	64,496
Contributions - employee	191,956
Administrative fees	(41)
Withdrawals	(203,051)
Transfers, other	12
Inter-plan fund transfers (net)	200
	-----
Net increase (decrease)	465,917

Net Assets Available for Benefits:	
Beginning of year	1,964,435
	-----
End of year	\$ 2,430,352
	-----
	-----

See Notes to Financial Statements

SPRINT RETIREMENT SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

1. DESCRIPTION OF THE PLAN

The following brief description of the Sprint Retirement Savings Plan (the Plan) provides only general information. For more complete information participants should refer to the Plan document and the Summary Plan Description, which can be obtained by calling the Employee Solutions Network at 800-697-6000.

General  
-----

The Plan is a defined contribution plan established by Sprint Corporation ("Sprint" or the "Company") and adopted by substantially all of its subsidiaries. The Plan includes a qualified cash or deferred arrangement as defined in section 401(k) of the Internal Revenue Code (Code) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Upon its inception in 1984, the Plan was known as the United Telecom Savings Plan and consisted of the portion now referred to as the Savings Plus Account (SPA). Effective October 10, 1989, the United Telecommunications, Inc. Employee Stock Ownership Plan, now referred to as the TRASOP Account, was merged into the Plan. The TRASOP account is a defined contribution plan that invests in common stock of the Company. The Plan became known as the Sprint Retirement Savings Plan (SRSP) effective January 1, 1994. Effective November 1, 2000, the Centel Employee Stock Ownership Plan (CESOP) was merged into the Plan.

Under the Plan, separate plan provisions relate solely to the SPA, the TRASOP Account and the CESOP Account.

Edgar Filing: SPRINT CORP - Form 11-K

The following information pertains only to the SPA:

Eligibility - SPA

-----

Participation in the Plan is voluntary. Individuals employed by one of the Company's subsidiaries on a regular, full-time basis and who are not represented by a collective bargaining unit are eligible to participate immediately. If an individual is not a permanent full-time employee, the employee is eligible to participate after completing one year of service in which the employee has worked at least 1,000 hours.

Contributions - SPA

-----

Participants may contribute up to 50% of their eligible pay to a pre-tax account. Pre-tax participant contributions may not exceed annual limitations defined in the Internal Revenue Code (Code) of \$12,000 for the 2003 plan year, \$11,000 for the 2002 plan year and \$10,500 for the 2001 plan year. The percentage that may be contributed by participants who meet the definition of a highly compensated employee as defined in the Code is periodically recalculated in order to maintain compliance with the nondiscrimination provisions of the Code. Subject to certain limitations and restrictions, the Plan permits participants to make rollover contributions from other plans qualified under Section 401 of the Code.

The Company makes a matching contribution to the Plan in an amount which, together with forfeitures of the Company contribution due to participants' withdrawal, equals 25% of the first 6% contributed by a participant. Prior to July 1, 2003, the Company match was a minimum of 50% of the first 6% of a participant's eligible pay. Contributions in excess of 6% of each participant's eligible pay are not included in this calculation of the Company contribution. Company contributions are made in Company common stock with a market value equal to the Company contribution requirement.

The allocation of the Company matching contribution between FON and PCS shares is subject to change quarterly based on the relative market capitalization of FON and PCS common stocks. During the 2003 plan year, the Company matching contribution invested in FON stock ranged from 69% to 81% and the Company matching contribution invested in the PCS

SPRINT RETIREMENT SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

Contributions - SPA (cont'd)

-----

stock ranged from 31% to 19%. During the 2002 plan year, the Company matching contribution invested in FON stock ranged from 43% to 68% and the Company matching contribution invested in PCS stock ranged from 57% to 32%. During the

## Edgar Filing: SPRINT CORP - Form 11-K

2001 plan year, the Company matching contribution invested in FON stock ranged from 43% to 51% and the Company matching contribution invested in PCS stock ranged from 57% to 49%.

The Plan provides that the Company may make an optional additional Company contribution. The amount of this additional contribution, if any, is based on a quarterly comparison of the Company's common stock performance with the performance of other telecommunications companies common stock. The total amount contributed by the Company under this provision will be the product of the additional quarterly contribution percentage multiplied by the amount contributed by participants. Participant contributions in excess of 6% of eligible pay are not included in this calculation.

Effective March 2002, participants may choose to receive annual taxable dividend payments on vested Sprint FON Company matching contributions and pre-2002 employee FON contributions.

In 2002, catch-up contributions were introduced to eligible participants. To be eligible to make catch-up contributions, a participant must be age 50 by the end of the respective plan year and must contribute the maximum elective contribution for that plan year. For plan year 2003, the pre-tax catch-up contribution limit was \$2,000. In plan year 2002, the pre-tax catch-up contribution limit was \$1,000.

### Investment Funds - SPA

-----

Participants may direct their contributions into any of thirty funds among which are three large capitalization Growth Stock funds, a Large Blend Stock Fund, two Large Capitalization Value Stock funds, a Money Market Fund, four Bond funds, five International and Emerging Market Equity funds, three Small Capitalization Stock funds, two Mid-Capitalization Stock funds, a U. S. Equity Index Fund, an Emerging Market Debt Fund, as well as the Sprint FON Stock Fund and the Sprint PCS Stock Fund. The participants may also direct their contributions into five pre-mixed portfolio investment options: Conservative Growth Portfolio, Moderate Growth Portfolio, Balanced Growth Portfolio, High Growth Portfolio and Aggressive Growth Portfolio.

As of June 30, 2001, the Bond Fund, the Growth Stock Fund, Aggressive Growth Stock Fund, Value Stock Fund and International Stock Fund were invested in the PIMCO Total Return Investment Fund, the Fidelity Magellan Fund, the Fidelity Dividend Growth Fund, the Fidelity Equity Income Fund, and the Fidelity Overseas Fund, respectively. The Interest Income Fund was managed by Fidelity Management Trust Company and was invested in a number of investment contracts issued by various insurance companies and banks and the PIMCO Low Duration Fund, Inc. as well as the PIMCO Low Duration II Fund, Inc. The U.S. Stock Index Fund was invested in the Fidelity U.S. Equity Index Fund, Inc. and was also managed by Fidelity Management Trust Company.

On July 1, 2001, investment offerings in the Plan expanded to thirty and three existing investment vehicles in the Plan were replaced as follows:

Investment Option Name	Vehicle Name	Service Dates	Replacement Vehicle Name
Bond Fund	PIMCO Total Return Fund	10/1/95 - 7/1/01	PIMCO Separately

Edgar Filing: SPRINT CORP - Form 11-K

			(B acct.)
Interest Income Fund	Fidelity Separately Managed	4/1/92 - 7/1/01	PIMCO Separately (I acct.)
U.S. Stock Fund	Fidelity U.S. Equity Index Fund	10/1/96 - 7/1/01	Barclay's Equity

SPRINT RETIREMENT SAVINGS PLAN  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2003

The following changes were implemented during Plan Year 2002:

Investment Option Name	Vehicle Name	Service Dates	Replacement Vehicle
Growth Stock Fund	Harbor Capital Appreciation Fund	7/1/01 - 12/31/02	Jennison Associates (separately managed)
Aggressive Growth Stock Fund	White Oak Growth Stock Fund	7/1/01 - 12/31/02	Oak Associates, L.P. (separately managed)
Value Stock Fund I	Barclay's Russell 1000 Value Fund	7/1/01 - 12/31/02	Harris Associates (separately managed)

The following changes were implemented during Plan Year 2003:

Investment Option Name	Vehicle Name	Service Dates	Replacement Vehicle
------------------------	--------------	---------------	---------------------



Edgar Filing: SPRINT CORP - Form 11-K

Mid-Cap Growth Stock Fund	Fidelity OTC Portfolio	7/1/01 - 7/1/03	Harbor Mid-Cap Growth Fund
Aggressive Growth Stock Fund	Oak Associates (separately managed acct.)	12/31/02 - 7/1/03	Fidelity OTC Fund
Global Equity Fund	Janus Aspen Worldwide Growth	7/1/01 - 7/1/03	GMO Global Equity Strategy
International Stock Fund	Barclay's EAFE Equity Index Fund	7/1/01 - 7/1/03	NTGI EAFE Equity Fund "F"
Money Market Fund	Barclay's Money Market Fund	7/1/01 - 7/1/03	NTGI Short Term I Fund
U.S. Stock Index Fund	Barclay's Equity Index Fund "F"	7/1/01 - 7/1/03	NTGI S&P 500 Equity Fund
Small Cap Stock Fund	Barclay's Russell 2000 Index Fund	7/1/01 - 7/1/03	NTGI Russell 2000

Participants may, at their discretion, alter the array of funds in which their payroll contributions are invested. Participants may also execute a transfer of funds on any day the New York Stock Exchange is open. Daily fund exchanges in the FON and PCS stock funds are limited to participant contributions.

Other limitations on transfers between funds apply in certain circumstances.

SPRINT RETIREMENT SAVINGS PLAN  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2003

Concentration of Risk  
 -----

At December 31, 2003, 2002 and 2001, a portion of the Plan's assets were in shares of Sprint FON and PCS common stock, the value of which is subject to fluctuations related to corporate, industry and economic factors.

The Plan's other investment options include a variety of stocks, bonds, mutual funds, and other securities. Investment securities subject participants to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is likely that changes in the values of investment securities will occur in the near term and that such changes could affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

## Edgar Filing: SPRINT CORP - Form 11-K

### Vesting - SPA

-----

Participants are 100% vested in their participant contribution accounts at all times.

Effective December 1, 2001, participants have a right to their Company contributions based on a graded vesting schedule, which is: 20% vested after two years of service, 40% vested after three years of service, 60% vested after four years of service and 100% vested after five or more years of continuous service with the Company. Earlier vesting may occur if, while an employee of the Company, a participant (1) attains age 65, (2) incurs a permanent and total disability, or (3) dies. Special rules may provide for more rapid vesting to certain participants under vesting schedules of prior Plans.

Withdrawing participants who do not meet these vesting guidelines forfeit the non-vested portion of the Company contribution. Such amounts are used to offset future Company contribution requirements.

### Withdrawals - SPA

-----

Participants may withdraw the vested value of their account when they retire, terminate employment with the Company, reach age 59 1/2, meet "hardship" requirements defined in the Code, or become permanently and totally disabled. In-service withdrawals may also be made from the after-tax portion of their account and the vested portion of their Company contribution account that has been held by the Plan for two full calendar years following the year of contribution. These withdrawals may not be made more often than twice per year. The minimum in-service withdrawal is the lesser of \$1,000 or 50% of the amount that may be withdrawn.

### Participant Loans - SPA

-----

Participants may borrow up to the lesser of (1) one-half of the total value of their vested account balance, (2) \$50,000 reduced by the highest outstanding balance of the participant's loan from the Plan during the one year period ending on the date the loan is made, or (3) the total value of their pre-tax account. The minimum loan is \$1,000.

Participants may have no more than two loans outstanding from the Plan at a time. Amounts borrowed by participants must be repaid within 5 years and no sooner than 6 months. In the event that the proceeds of the loan are used to acquire a participant's principal residence, the maximum repayment period may be as much as 25 years. The interest rate charged on loans is set by the Employee Benefits Committee.

Edgar Filing: SPRINT CORP - Form 11-K

DECEMBER 31, 2003

The following information pertains to the TRASOP account:

Contributions - TRASOP  
-----

While it is the intention of the Company to continue maintaining the TRASOP Accounts, effective January 1, 1987, concurrent with the effective date of the Tax Reform Act of 1986, contributions to the TRASOP account were discontinued. The Company does not intend to make any additional contributions unless favorable tax incentives supporting such contributions become incorporated into future law. Employees may continue to participate in the TRASOP. For certain plan years, the TRASOP allowed eligible participants to make after-tax contributions.

Eligibility - TRASOP  
-----

Individuals employed by the Company or one of its participating subsidiaries during 1976 through 1986 were eligible to participate in the Company contribution amount for such year, provided they had completed one year of continuous employment on or before the end of a plan year and they were still employed by the Company at the end of such year.

Investment Fund - TRASOP  
-----

Plan assets are invested solely in Company common stock except for amounts necessary to meet anticipated administrative expenses and distributions.

Vesting - TRASOP  
-----

Participants are 100% vested in shares of common stock allocated to their accounts at all times.

Withdrawals - TRASOP  
-----

Participants who elect may withdraw their entire TRASOP account balance while an active employee of the Company. Upon termination of employment, death, retirement, or disability, or termination of the Plan, participants may elect to withdraw their entire account balance.

The following information pertains to the CESOP account:

Effective November 1, 2000, CESOP was merged into the Plan for non-bargaining unit employees and the Centel Retirement Savings Plan for Bargaining Unit Employees as appropriate.

Eligibility/Contributions - CESOP  
-----

Employees of Centel Corporation during the period of January 1, 1975, through December 31, 1986, were eligible to participate in the CESOP. Centel Corporation made all contributions to the CESOP through December 31, 1986. Effective January 1, 1987, concurrent with the effective date of the Tax Reform Act of 1986, contributions to the CESOP ceased.

Edgar Filing: SPRINT CORP - Form 11-K

Investment Fund - CESOP  
-----

Plan assets are invested solely in Company common stock except for amounts necessary to meet anticipated administrative expenses and distributions.

Vesting - CESOP  
-----

Participants are 100% vested in their account balances at all times.

7

SPRINT RETIREMENT SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

Withdrawals - CESOP  
-----

Participants may elect to withdraw all of their CESOP account balance while an active employee of the Company. Upon termination of employment, retirement, death, total and permanent disability, or upon termination of the Plan, participants may elect to withdraw their entire account balance.

Dividends - CESOP  
-----

Dividends earned on shares held in the CESOP account are distributed annually to participants unless otherwise elected by a participant, or are reinvested if the amount of the dividend payment is less than \$10.

The following information pertains to SPA, TRASOP and CESOP accounts:

Participant Accounts - SPA  
-----

A separate account is maintained for each participant in the Plan. Each participant's account is adjusted for (a) Company contributions on behalf of the participant, (b) the participant's contributions to the Plan, including rollover contributions, (c) the participant's share of any investment income or loss, (d) withdrawals, (e) loans, and (f) forfeitures of Company contributions due to the participant's withdrawal.

Participant Accounts - TRASOP and CESOP  
-----

A separate account is maintained for each participant in the TRASOP and CESOP. Each participant's account is adjusted for (a) the participant's share of any investment income or loss, and (b) withdrawals.

Administration and Plan Expenses - SPA, TRASOP and CESOP  
-----

The Plan is administered by Sprint's Employee Benefits Committee. Administrative and investment expenses of the SPA and CESOP are expenses of the Plan, and

## Edgar Filing: SPRINT CORP - Form 11-K

except to the extent paid by the Company, are paid out of the trust. Certain administrative charges for employee loans from the SPA are borne by the participants with outstanding loans. The Company may recover TRASOP administrative costs from the Plan, directly or by reduction of TRASOP dividends, subject to limitations provided in the Code and the Plan. The Plan reimbursed the Company for TRASOP administrative expenses of \$23,000 for each of 2003 and 2002, and \$26,000 for 2001.

### Termination

-----

Although the Company has not expressed an intention to terminate the entire Plan, it reserves the right to amend or terminate the Plan at any time. Should the entire Plan terminate, the accounts of all participants will become non-forfeitable as of the date of termination.

8

## SPRINT RETIREMENT SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2003

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Plan:

#### Valuation of Investments

-----

Investments of the Plan are valued at current value. The current value of the common stock is based on the value of the last reported sale in the active market in which they are traded on the last business day of the year. The current value of equity mutual funds and bond mutual funds is valued at the redemption price on the last business day of the year. The current value of the short term investments is estimated at cost plus accrued interest. Notes receivable from participants are valued at their principal balance.

#### Interest and Dividend Income

-----

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

#### Use of Estimates

Edgar Filing: SPRINT CORP - Form 11-K

-----  
The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from these estimates.

Income Tax Status  
-----

The Plan has received a determination letter from the Internal Revenue Service dated June 12, 2003, stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Subsequent to this issuance of the determination letter, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax exempt.

Withdrawals  
-----

Withdrawals, other than cash, are recorded at the current market value of the assets on the date of distribution.

Reclassifications  
-----

Certain prior-year amounts have been reclassified to conform to the current-year presentation. These reclassifications had no effect on net assets available for benefits.

SPRINT RETIREMENT SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

3. INVESTMENTS

The Plan's investments are held by the Fidelity Management Trust Company of

## Edgar Filing: SPRINT CORP - Form 11-K

Boston, Massachusetts, as trustee. The following table presents the Plan investments that represent 5% or more of the Plan's net assets available for benefits.

	(Thousands of Dollars)	
	As of December 31:	
	2003	2002
	-----	-----
Investments at Current Value as Determined by		
Quoted Market Price:		
Sprint FON Common Stock	\$ 537,687	\$ 525,501
Sprint PCS Common Stock	245,184	187,182
Fidelity Magellan Fund	392,661	320,512
Fidelity Equity Income Fund	200,441	155,730
PIMCO Separately Managed I Account	245,965	266,953

During 2003, 2002 and 2001, the Plan's investments (including investments purchased, sold and held during the year) appreciated (depreciated) in value as follows:

	(Thousands of Dollars)	
	For the Year Ended December	
	2003	2002
	-----	-----
Net Realized and Unrealized Appreciation		
(Depreciation) in Value		
Investments at Current Value as Determined by		
Quoted Market Price:		
Common stock:		
Sprint Corporation - SPA		
FON	\$ 69,092	\$ (146,222)
PCS	56,093	(554,877)
Sprint Corporation - TRASOP	14,179	(94,299)
Sprint Corporation - CESOP	586	(3,806)
Equity mutual funds	193,562	(203,954)
Equity index fund	17,237	(13,018)
Bond mutual funds	12,241	22,063
Other investments	5,755	(1,800)

Edgar Filing: SPRINT CORP - Form 11-K

Total Appreciation (Depreciation)	\$ 368,745	\$ (995,913)
	=====	=====

SPRINT RETIREMENT SAVINGS PLAN  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2003

4. NON-PARTICIPANT-DIRECTED INVESTMENTS

The funds comprised of Company stock (FON Stock Fund and PCS Stock Fund) include both participant-directed and non-participant-directed amounts. Information regarding the changes in net assets relating to these funds in total is as follows:

	(Thousands of Dollars)	
	For the Year Ended	
	2003	2002
	-----	-----
Investment Income:		
Interest	\$ 1,202	\$ 1,850
Dividends	15,866	14,110
Net realized and unrealized appreciation (depreciation) in the current value of investments	125,185	(701,100)
	-----	-----
Net investment income (loss)	142,253	(685,120)
Contributions - employer (net)	65,115	75,770
Contributions - employee	34,976	45,450
Administrative fees	(8)	(10)
Withdrawals	(51,412)	(49,560)
Inter-plan fund transfers (net)	43	260
Intra-plan fund transfers (net)	(13,395)	(680)
	-----	-----
Net increase (decrease)	177,572	(613,870)



Edgar Filing: SPRINT CORP - Form 11-K

Net Assets Available for Benefits:		
Beginning of year	623,213	1,237,08
	-----	-----
End of year	\$ 800,785	\$ 623,21
	=====	=====

Of the above net assets, information about the net assets of the non-participant -directed investments is as follows:

		(Thousands of D
		For the Year Ended
	2003	2002
	-----	-----
Net Assets:		
Sprint Corporation - SPA:		
FON Stock Fund	\$ 410,271	\$ 334,41
PCS Stock Fund	105,188	78,14

SPRINT RETIREMENT SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

5. RELATED PARTY TRANSACTIONS

Company contributions are made directly to the FON and PCS stock funds; participants may also elect to direct a percentage of their contribution to these funds. In 2003, these combined contributions approximated \$62 million and \$38 million to the FON and PCS stock funds, respectively. In 2002, approximately \$52 million and \$69 million were contributed to the FON and PCS stock funds, respectively. In 2001, approximately \$55 million and \$78 million were contributed to the FON and PCS stock funds, respectively.

6. LEGAL PROCEEDINGS

In 2003, several putative class action lawsuits were filed in the U. S. District Court for the District of Kansas by individual participants in the Plan, the Sprint Retirement Savings Plan for Bargaining Unit Employees, and the Centel

## Edgar Filing: SPRINT CORP - Form 11-K

Retirement Savings Plan for Bargaining Unit Employees against the Company, the committee that administers the plans, the trustee for the plans, and various current and former officers and directors of the Company. These lawsuits have been consolidated before a single judge. The lawsuit alleges that defendants breached their fiduciary duties to the plans and violated the ERISA statutes by including FON stock and PCS stock among the investment options offered to plan participants. The lawsuit seeks to recover any decline in the value of FON stock and PCS stock during the class period.

### 7. SUBSEQUENT EVENTS (unaudited)

#### Increased Diversification

-----

Effective January 1, 2004, participants may diversify their Company matching contributions based on the schedule below:

- o For Company matching contributions made prior to January 1, 2004:
  - o In 2004, 20% of the Company matching contributions may be transferred to other investment options.
  - o In each succeeding year (2005, 2006, 2007 and 2008), an additional 20% of the Company matching contributions balance may be diversified.
- o Company matching contributions made on or after January 1, 2004, may be diversified beginning on the last day of the third year after the year the contributions are made. For example, Company matching contributions made in 2004 may be diversified on December 31, 2007. Similarly, Company matching contributions made in 2005 may be diversified on December 31, 2008.

In addition, effective January 1, 2004, all employees age 55 or older may choose to fully diversify all Company matching contributions once each year. The previous age requirement was 60.

#### Common Stock Recombination

-----

In February 2004, Sprint's board of directors decided to recombine the tracking stocks and return to a single common stock. As a result, on April 23, 2004, each share of PCS stock automatically converted to 0.50 shares of FON stock. Concurrently, the Sprint FON Stock Fund and the Sprint PCS Stock Fund were combined. Since that date, Company contributions are made only in FON stock to the Company Stock Fund. Participants may also direct contributions to the Company Stock Fund. The FON stock now represents the only outstanding common stock of the Company.

#### Oversight Committee Reconstitution

-----

On April 1, 2004, the duties of the Pension and Savings Trusts Committee were assumed by the Employee Benefits Committee and the Pension and Savings Trusts Committee ceased to exist. The Employee Benefits Committee is the named fiduciary of the Plan and has responsibility for the administrative and financial activities of the Plan.

Edgar Filing: SPRINT CORP - Form 11-K

SUPPLEMENTAL SCHEDULE

SPRINT RETIREMENT SAVINGS PLAN

EIN: 48-0457967

Plan #004

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)  
December 31, 2003

(Thousands of

Identity of Issue	Cost
	-----
Common Stock:	
Sprint Corporation - SPA:	
FON**	\$ 648,948
PCS**	526,580
Sprint Corporation - TRASOP:	
FON**	51,519
PCS**	8,078
Sprint Corporation - CESOP:	
FON**	2,109
PCS**	256
	-----
Total Common Stocks	1,237,490
Equity Funds:	
Fidelity Magellan Fund**	381,509
Fidelity Equity Income Fund**	182,021
Fidelity OTC Portfolio Fund**	120,126
Fidelity Overseas Fund**	52,434
Fidelity Dividend Growth Fund**	105,405
Capital Guardian International Equity Fund	2,881
Capital Guardian Emerging Market Equity Fund	2,286
Jennison Associates LLC Separately Managed Acct	5,105
Harris Associates, L.P. Separately Managed Acct	4,950
Wall Street Associates Separately Managed Acct	4,391
American Century Equity Income Fund	17,349
DFA U.S. Small-Cap Value Portfolio	24,258
GMO Global Equity Allocation	4,827
Harbor Midcap Growth I	6,693

Edgar Filing: SPRINT CORP - Form 11-K

Total Equity Mutual Funds	914,235
Equity Index Funds:	
NTGI Russell 2000 Index Fund	9,075
NTGI EAFE Index Fund	1,259
NTGI S&P 500 Equity Index Fund	59,973
Total US Stock Index Funds	70,307
Bond Funds:	
PIMCO High Yield Fund	9,320
PIMCO Foreign Bond Fund	5,592
GMO Emerging Country Debt Share Fund	20,813
PIMCO Separately Managed I Account	220,698
PIMCO Separately Managed B Account	65,993
Total Bond Mutual Funds	322,416

SPRINT RETIREMENT SAVINGS PLAN

EIN: 48-0457967

Plan #004

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) (Continued)  
December 31, 2003

(Thousands of Dollars)

Identity of Issue	Cost	Current
	-----	-----
Short-Term Investments:		
NTGI Short-term	\$ 32,509	
Fidelity Retirement Market Account**	290	
Fidelity Investment Cash Portfolio**	18,186	
Total Short-Term Investments	50,985	
Other Funds:		
Conservative Growth Portfolio	3,992	
Moderate Growth Portfolio	4,953	

Edgar Filing: SPRINT CORP - Form 11-K

Balanced Growth Portfolio	9,159	
High Growth Portfolio	7,449	
Aggressive Growth Portfolio	6,763	
	-----	-----
Total Other Investments	32,316	
Participant Loans	75,485	
	-----	-----
Total Investments	\$ 2,703,234	\$
	=====	=====

\*\* Indicates party-in-interest to the Plan.

SIGNATURES

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

Sprint Retirement Savings Plan

By: /s/ E. J. Holland, Jr.  
E. J. Holland, Jr.  
Employee Benefits Committee

Date: June 25, 2004

EXHIBIT INDEX

Exhibit Number

23

Consent of Independent Registered Public Accounting Firm