

Edgar Filing: SPRINT CORP - Form 11-K

SPRINT CORP
Form 11-K
June 27, 2003

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, 2002.

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

TOTAL NUMBER OF PAGES 29
EXHIBIT INDEXES AT PAGE 27

1

REQUIRED INFORMATION

1. Opinion of Ernst & Young LLP.
2. Audited Statements of Net Assets Available for Benefits With Fund Information as of December 31, 2002 and 2001.

Edgar Filing: SPRINT CORP - Form 11-K

3. Audited Statements of Changes in Net Assets Available for Benefits With Fund Information For Each of the Years Ended December 31, 2002, 2001, and 2000.
4. Notes to Financial Statements.
5. Supplemental Schedules:
 - Investments as of December 31, 2002.
 - Reportable Transactions For the Year Ended December 31, 2002.
6. Exhibits:
 - Consent of Ernst & Young LLP (Exhibit 23a).
 - Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002 (Exhibit 99).

2

SPRINT RETIREMENT SAVINGS PLAN
2002 ANNUAL REPORT
WITH
REPORT OF INDEPENDENT AUDITORS

3

SPRINT RETIREMENT SAVINGS PLAN

Index to Financial Statements

Report of Independent Auditors

Financial Statements

- o Statements of Net Assets Available for Benefits as of December 31, 2002 and 2001
- o Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2002, 2001, and 2000
- o Notes to Financial Statements

Supplemental Schedules

- o Schedule I Investments as of December 31, 2002
- o Schedule II Reportable Transactions for the Year Ended December 31, 2002

Report of Independent Auditors

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, 2002 and 2001, and the related statements of changes in net assets available for benefits for each of the three years in the period ended December 31, 2002. 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 auditing standards generally accepted in the 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, 2002 and 2001, and the changes in its net assets available for benefits for each of the three years in the period ended December 31, 2002, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules listed in the index to the financial statements are presented for purposes of additional analysis and are not a required part of the 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. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Kansas City, Missouri
June 6, 2003

5

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

	December 31,
	2002

PLAN ASSETS	
Investments at fair value	\$ 1,964,788

Edgar Filing: SPRINT CORP - Form 11-K

Receivables:	
Receivables for unsettled security sales	107
Transfer receivable	287
Contributions receivable	1
Other receivables	3
Accrued interest and dividend income	19

Total assets	1,965,205

PLAN LIABILITIES

Benefit payment payable	83
Loan repayment payable	24
Accrued transfer payable	509
Forfeiture payable	10
Accrued investment expenses	39
Payable for unsettled security purchases	-
Other payables	105

Total liabilities	770

Net assets available for benefits	\$ 1,964,435
	=====

See Notes to Financial Statements.

6

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

	2002	Years Ended December 31 2001
	-----	-----
Investment income:		
Interest	\$ 5,704	\$ 17,852
Dividends	27,555	34,001
Net realized and unrealized appreciation (depreciation) in the fair value of investments	(995,913)	(10,067)
	-----	-----
Net investment income (loss)	(962,654)	41,786
Contributions - employer (net)	73,947	70,624
Contributions - employee	207,096	207,494
Administrative fees	(33)	(24)
Withdrawals	(203,298)	(183,481)

Edgar Filing: SPRINT CORP - Form 11-K

Transfers from Centel ESOP	-	-
Transfers from Broadband Wireless Group and Paranet	-	-
Transfers from other	-	516
Inter-plan fund transfers (net)	954	5,764
	-----	-----
Net increase (decrease)	(883,988)	142,679
Net assets available for benefits:		
Beginning of year	2,848,423	2,705,744
	-----	-----
End of year	\$ 1,964,435	\$ 2,848,423
	=====	=====

See Notes to Financial Statements.

7

SPRINT RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

1. DESCRIPTION OF THE PLAN

The following brief description of the Sprint Retirement Savings Plan (Plan) provides only general information. Participants should refer to the Plan document and the summary plan description for more complete information.

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 is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Upon its original 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). This account includes a qualified cash or deferred arrangement as defined in section 401(k) of the Internal Revenue Code (Code). 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. With the merger, the plan became known as the Sprint Retirement Savings Plan (SRSP).

At its meeting on December 14, 1999, the Sprint Board of Directors approved the merger of the Broadband Wireless Group Plans into the Plan effective as of December 31, 1999 and directed the Employee Benefits Committee to establish procedures under which the investment of contributions and account balances of participants in the Broadband Wireless Group Plans would be converted into investments under the Plan.

The Broadband Wireless Group employees include the participants in the

Edgar Filing: SPRINT CORP - Form 11-K

American Telecasting, Inc. 401(k) Retirement Plan and the American Telecasting Inc. 401(k) Retirement Plan (Fresno Associates) maintained by American Telecasting, Inc., the People's Choice TV Corporation 401(k) Plan maintained by People's Choice TV Corporation, the Wireless Broadcasting Systems of America, Inc. Employees 401(k) Plan maintained by Wireless Broadcasting Systems of America, Inc., and the Wireless Holdings, Inc. 401(k) Plan and the Videotron U.S.A., Inc. 401(k) Plan maintained by Wireless Holdings, Inc.

Effective January 1, 2000, any Broadband Wireless Group employees who were eligible to participate in the above referenced Broadband Wireless Group Plans are eligible to participate in the Plan. The vesting schedules under the respective Broadband Wireless Group Plans remain in effect for company matching contributions made to the Broadband Wireless Group Plans prior to January 1, 2000. The company matching contributions made to the Plan on and after January 1, 2000 for any Broadband Wireless Group employee who had either three or more years of vesting service or less than three years of vesting service as of that date are vested in accordance with the vesting schedules in the Plan. The deferral elections made by participants under the Broadband Wireless Group Plans continue under the Plan until changed by the participants. Effective for contributions to the Plan after December 31, 1999, the investment elections of the participants in the Broadband Wireless Group Plans have been converted into respective investment elections under the Plan.

As of November 1, 2000, the Parinet Inc. 401(k) Plan (the Parinet Plan) was also merged into the Plan. Any Parinet employees who were eligible to participate in the Parinet Plan were eligible to participate in the Plan effective January 1, 1999. The investment elections of the Parinet Plan have been converted into respective investment elections under the Plan.

8

SPRINT RETIREMENT SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS December 31, 2002

1. DESCRIPTION OF THE PLAN (Continued)

General (Continued)

Under the Plan, separate plan provisions relate solely to the SPA, the TRASOP Account and the Centel Employees' Stock Ownership Plan (CESOP) Account.

The following information pertains only to the SPA:

Eligibility - SPA

Participation in the Plan is voluntary. Individuals employed by the Company or one of its adopting 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

Edgar Filing: SPRINT CORP - Form 11-K

Participants can contribute up to 50% of their eligible pay to a pre-tax account, provided total contributions to the pre-tax account did not exceed annual limitations of \$11,000 for the 2002 plan year and \$10,500 for both the 2001 and 2000 plan years. The percentage that can be contributed by participants who meet the definition of a highly compensated employee as defined in the Code is periodically recomputed in order to maintain compliance with the nondiscrimination provisions of the Code. The annual limitation on contributions to the pre-tax account is established under the Code. Contributions are allowed to only the pre-tax account. 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 one-half of the amount contributed by participants. Contributions in excess of 6% of each participant's eligible pay are not included in this calculation of the Company contribution. Contributions are made in Company common stock with a market value equal to the Company contribution requirement.

Effective the first quarter of the 2000 plan year, the allocation of the company matching contribution is subject to change based on the relative market capitalization of FON and PCS stocks. During the 2000 plan year, the company matching contribution invested in both FON and PCS stocks ranged from 43% to 57%. During the 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 49% to 57%. 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 32% to 57%. The allocation changes on a quarterly basis based on the relative market capitalization.

The Plan provides that the Company may provide for an optional additional company contribution each quarter. The amount of this additional contribution, if any, will be based on a quarterly comparison of the performance of the Company's common stock with the performance of common stock of other telecommunications companies. The total amount contributed by the Company under this provision will be the

9

SPRINT RETIREMENT SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS December 31, 2002

1. DESCRIPTION OF THE PLAN (Continued)

Contributions - SPA (Continued)

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 can choose to receive Sprint FON dividends as taxable payments annually on vested FON company matching contributions and pre-2002 employee FON contributions.

Edgar Filing: SPRINT CORP - Form 11-K

In 2002, catch-up contributions were introduced to participants who were age 49 (or older) on December 31, 2001 and who were making the maximum elective contribution for the year. Participants could contribute an additional \$1,000 in pre-tax contributions to their Plan Account.

Investment Funds - SPA

Participants may direct their contributions into any of twenty-five funds among the Growth Stock Funds, Dividend Growth Stock Fund, Balanced Stock Funds, Money Market Fund, Bond Funds, International Equity Funds, Small Capitalization Growth Stock Fund, Small Capitalization Value Stock Funds, Mid Capitalization Growth Stock Fund, Mid Capitalization Value Stock Fund, Equity Index Fund and Emerging Market Equity 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.

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, Inc., the Fidelity Magellan Fund, Inc., the Fidelity Dividend Growth Fund, Inc., the Fidelity Equity Income Fund, Inc. and the Fidelity Overseas Fund, Inc., respectively. The Mid Capitalization Growth Stock Fund invested in the Fidelity OTC Portfolio Fund, Inc. 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 invested in the Fidelity U.S. Equity Index Fund, Inc. and was also managed by Fidelity Management Trust Company.

On July 1, 2001, three existing investment vehicles in the Plan were replaced. The Interest Income Fund managed by Fidelity Management Trust Company was replaced by a PIMCO Bond Fund, i.e., PIMCO Separately Managed Portfolio, Inc. (I Account). The PIMCO Total Return Investment Fund, Inc. was replaced by another PIMCO Bond Fund, i.e., PIMCO Separately Managed Portfolio, Inc. (B Account). A new U.S. Stock Index Fund, i.e., Barclays' Equity Index Fund, Inc., replaced the Fidelity U.S. Index Fund.

The five pre-mixed portfolio investment options that the Plan offers are Conservative Growth Portfolio, Moderate Growth Portfolio, Balanced Growth Portfolio, High Growth Portfolio and Aggressive Growth Portfolio. The Growth Stock Funds were invested in Harbor Capital Appreciation Fund, Inc. and the White Oak Growth Stock Fund, Inc. from July 2001 through December 2002. Effective

10

SPRINT RETIREMENT SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS December 31, 2002

1. DESCRIPTION OF THE PLAN (Continued)

Investment Funds - SPA (Continued)

December 31, 2002, Harbor Capital Appreciation Fund, Inc. and White Oak Growth Stock Fund were replaced by Jennison Associates LLC Separately Managed Account and Oak Associates, Ltd. Separately Managed Account, respectively. The Growth Stock Funds is also invested in the Fidelity

Edgar Filing: SPRINT CORP - Form 11-K

Magellan Fund, Inc. The Large Blend Stock Fund is invested in the Fidelity Dividend Growth Fund, Inc. The International Equity Funds are invested in the Janus Aspen Worldwide Growth Fund, Inc., the Capital Guardian International Equity Fund, Inc. and the Barclays' EAFE Equity Index Fund, Inc. in addition to the Fidelity Overseas Fund, Inc. The Bond Funds are invested in the PIMCO High Yield Fund, Inc., the PIMCO Foreign Bond Fund, Inc. and the GMO Emerging Country Debt Share Fund, Inc. in addition to the PIMCO Separately Managed Portfolio, Inc. The Balanced Stock Fund was invested in the Barclays' Russell 1000 Value Index Fund from July 2001 through December 2002. Effective December 31, 2002, the balances and future contributions of Barclays' Russell 1000 Value Index Fund were re-directed to Harris Associates, L.P. Separately Managed Account. The Balanced Stock Fund is also invested in the Fidelity Equity Income Fund, Inc. The Money Market Fund is invested in Barclays' Money Market Fund, Inc. The Small Capitalization Value Stock Fund was invested in the Barclays' Russell 2000 Growth Index Fund, Inc. from July 2001 through December 2002. Effective December 31, 2002, the balances and future contributions of Barclays' Russell 2000 Growth Index Fund were re-directed to Wall Street Associates Separately Managed Account. The Small Capitalization Value Stock Fund is also invested in the U.S. Small Capitalization Value Portfolio of DFA, Inc. The Mid-Capitalization Growth Stock Fund is invested in the Fidelity OTC Portfolio, Inc. The Mid-Capitalization Value Stock Fund is invested in the American Century Equity Income Fund, Inc. And finally, the Emerging Market Equity Fund is invested in the Capital Guardian Emerging Markets Equity Fund, Inc.

Participants are able to invest their own contributions in the Sprint FON Stock Fund and/or the Sprint PCS Stock Fund. For amounts attributable to participants' own contributions, participants are also permitted to transfer their existing balances into and out of those funds.

Participants may redirect the fund in which their current contributions are invested each pay period. Participants may also transfer existing balances on any weekday except holidays or when the New York Stock Exchange is closed. Other limitations on transfers between funds apply in certain circumstances.

The following represents the number of SPA participants in each investment fund as of December 31, 2002, 2001, and 2000:

11

SPRINT RETIREMENT SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS December 31, 2002

1. DESCRIPTION OF THE PLAN (Continued)

Investment Funds - SPA (Continued)

Number of Participants		
At December 31		
2002	2001	2000

Edgar Filing: SPRINT CORP - Form 11-K

Magellan Growth Stock Fund	29,229	31,096	29,327
Fidelity Equity Income Fund	20,062	21,143	18,815
Interest Income Fund	22,531	23,460	22,193
PIMCO Bond Fund	10,952	10,232	8,701
Fidelity Overseas Fund	11,096	11,810	11,355
Sprint FON Stock Fund	54,649	55,306	50,219
Sprint PCS Stock Fund	54,771	55,634	50,333
Fidelity OTC Portfolio	14,383	15,679	15,804
Fidelity Dividend Growth Fund	15,798	16,077	12,749
U.S. Stock Index Fund	10,829	11,647	11,008
Conservative Growth Portfolio	896	339	--
Moderate Growth Portfolio	1,313	525	--
Balanced Growth Portfolio	1,952	998	--
High Growth Portfolio	1,743	1,041	--
Aggressive Growth Portfolio	2,446	1,496	--
Barclay's Money Market Fund	2,847	1,176	--
Barclays' Russell 2000 Index Fund	1,853	594	--
Barclays' EAFE Equity Index Fund	494	284	--
PIMCO High Yield Fund	1,622	700	--
Value Stock Fund I	1,372	620	--
Growth Stock Fund I	1,803	1,007	--
American Century Equity Income Fund	3,303	1,768	--
Aggressive Growth Stock Fund	2,166	1,475	--
DFA U.S. Small Capitalization Value Fund	3,936	1,503	--

Edgar Filing: SPRINT CORP - Form 11-K

1. DESCRIPTION OF THE PLAN (Continued)

Investment Funds - SPA (Continued)

	Number of Participants		
	At December 31		
	2002	2001	2000
Small-Cap Growth Stock Fund	1,136	533	--
PIMCO Foreign Bond Fund	1,719	686	--
Janus Aspen Worldwide Growth Fund	2,653	1,682	--
Capital Guardian International Equity Fund	913	407	--
GMO Emerging Market Country Debt Share Fund	2,202	456	--
Capital Guardian Emerging Markets Equity Fund	784	204	--

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. 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 withdrawal is the lesser of \$1,000 or 50% of the amount that may be withdrawn.

SPRINT RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

1. DESCRIPTION OF THE PLAN (Continued)

Participant Loans - SPA

Participants may borrow 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.

The following information pertains to the TRASOP account:

Contributions - TRASOP

While it is the intention of the Company to continue maintaining the TRASOP Accounts, Company contributions to the TRASOP account were discontinued after the 1986 plan year. 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 Company elected to allow eligible participants to make after-tax contributions to the Plan.

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.

On December 31, 2002, there were 8,501 participants in the TRASOP FON Stock Fund and 8,567 participants in the TRASOP PCS Stock Fund. On December 31, 2001, there were 9,208 participants in both the TRASOP FON Stock Fund and the TRASOP PCS Stock Fund.

Vesting - TRASOP

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

Edgar Filing: SPRINT CORP - Form 11-K

Withdrawals - TRASOP

Participants who elect may withdraw a portion or all of their 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.

14

SPRINT RETIREMENT SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS December 31, 2002

1. DESCRIPTION OF THE PLAN (Continued)

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

The following information pertains to the CESOP account established in the Plan as a result of this merger:

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. The Company 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.

Investment Fund - CESOP

Prior to March 9, 1993, CESOP assets were invested solely in company common stock except for amounts necessary to pay dividend distributions, anticipated expenses of the CESOP and fractional share distributions. Effective with the March 9, 1993, merger of Centel and Sprint, each share of Centel common stock was exchanged for 1.37 shares of Sprint common stock. As a result of recapitalization of Sprint common stock on November 23, 1998, the Northern Trust Company, the recordkeeper of the CESOP, adjusted the market value of the Sprint common stock by allocating 89% of the total balance to the Sprint FON stock and 11% to the Sprint PCS stock. Effective with the November 1, 2000 plan merger, Sprint FON stock in the CESOP was transferred to Sprint FON CESOP Stock Fund and Sprint PCS stock in the CESOP was transferred to Sprint PCS CESOP Stock Fund, respectively.

On December 31, 2002, there were 495 participants in the Sprint FON CESOP Stock Fund and 470 participants in the Sprint PCS CESOP Stock Fund. On December 31, 2001, there were 505 participants in both the Sprint FON CESOP Stock Fund and the Sprint PCS CESOP Stock Fund.

Vesting - CESOP

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

Withdrawals - CESOP

Edgar Filing: SPRINT CORP - Form 11-K

Effective 11/1/2000, participants who elect may withdraw all or a portion 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 paid on shares held in the CESOP account were distributed to participants quarterly in 2001 and annually in 2000. Dividends were distributed annually in 2002.

15

SPRINT RETIREMENT SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS December 31, 2002

1. DESCRIPTION OF THE PLAN (Continued)

Participant Accounts - CESOP

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

The following information pertains to SPA and TRASOP accounts:

Participant Accounts

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.

Administration and Plan Expenses - SPA, TRASOP and CESOP

The Plan is administered by the Employee Benefits Committee of Sprint. Administrative and investment expenses of the SPA are expenses of the Plan, and except to the extent paid by the Company, are paid out of the trust. Certain administrative charges for employee loans 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 2002, \$26,000 for 2001 and \$25,000 for 2000.

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.

SPRINT RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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 fair value. The fair value of the common stock is based on the value of the last reported sale in the active market they are traded in on the last business day of the year. The fair value of equity mutual funds and bond mutual funds is valued at the redemption price. The fair 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, Interest Expense

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 May 22, 1996, 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 fair market value of the assets on the date of distribution.

Reclassification

Certain prior-year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on the net assets available for benefits or the change in net assets available for benefit as previously reported.

SPRINT RETIREMENT SAVINGS PLAN
Notes to Financial Statements
December 31, 2002

3. INVESTMENTS

The Plan's investments are held by the Fidelity Management Trust Company of 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) December 31,
	2002

Investments at Fair Value as Determined by Quoted Market Price:	
Sprint FON Common Stock	\$ 525,501
Sprint PCS Common Stock	187,182
Fidelity Magellan Fund, Inc.	320,512
Fidelity Equity Income Fund, Inc.	155,730
PIMCO Separately Managed 1 Account	266,953

SPRINT RETIREMENT SAVINGS PLAN
Notes to Financial Statements
December 31, 2002

3. INVESTMENTS (Continued)

During 2002, 2001 and 2000, the Plan's investments (including investments purchased, sold and held during the year) appreciated (depreciated) in value as follows:

	(Thousands of Dollars) Years Ended December 31
	2002

	2001

Net Realized and Unrealized Appreciation (Depreciation) in Value	

Edgar Filing: SPRINT CORP - Form 11-K

Investments at Fair Value as Determined

by Quoted Market Price:

Common stock:

Sprint Corporation - SPA:

Sprint FON	\$ (146,222)	\$ (4,394)
Sprint PCS	(554,877)	104,271
Sprint Corporation - TRASOP	(94,299)	12,220
Sprint Corporation - CESOP	(3,806)	502
Equity mutual funds	(203,954)	(134,089)
Bond mutual funds	22,063	14,717
Equity index fund	(13,018)	(3,375)
Other	(1,800)	81

	-----	-----
	\$ (995,913)	\$ (10,067)
	=====	=====

19

SPRINT RETIREMENT SAVINGS PLAN
Notes to Financial Statements
December 31, 2002

4 NON-PARTICIPANT DIRECTED INVESTMENTS

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

	2002	(Thousands of Year Ended Dec 2001
	-----	-----
Investment income:		
Interest	\$ 1,859	\$ 2
Dividends	14,118	13
Net realized and unrealized appreciation (depreciation) in the fair value of investments	(701,100)	99
	-----	-----
Net investment income (loss)	(685,123)	116
Contributions - employer (net)	75,773	74
Contributions - employee	45,458	58
Administrative fees	(5)	
Withdrawals	(52,117)	(68
Inter-plan fund transfers (net)	269	3

Edgar Filing: SPRINT CORP - Form 11-K

Intra-plan fund transfers (net)	(731)	(13)
	-----	-----
Net increase (decrease)	(616,476)	169
Net assets available for benefits:		
Beginning of year	1,266,109	1,096
	-----	-----
End of year	\$ 649,633	\$ 1,266
	=====	=====

Of the above net assets, information about the net assets of the nonparticipant-directed investme

	(Thousands of Dollars)	
	December 31,	
	2002	2001
	-----	-----
Net Assets:		
Sprint Corporation - SPA:		
FON Stock Fund	\$ 334,419	\$ 423
PCS Stock Fund	78,145	298

20

SPRINT RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

5. RELATED PARTY TRANSACTIONS

Non-participant directed contributions are made directly to the FON and PCS stock funds. In addition, participants can elect to contribute a percentage of their contribution to these funds. 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. In 2000, approximately \$69 million and \$89 million were contributed to the FON and PCS stock funds, respectively.

21

SUPPLEMENTAL SCHEDULES

22

SPRINT RETIREMENT SAVINGS PLAN
Investments
December 31, 2002

Identity of Issue	(Thous Cost
-----	-----
Common stock:	
Sprint Corporation - SPA:	
Sprint Corporation - FON**	\$ 635,8
Sprint Corporation - PCS**	560,4
Sprint Corporation - TRASOP:	
Sprint Corporation - FON**	53,0
Sprint Corporation - PCS**	8,4
Sprint Corporation - CESOP:	
Sprint Corporation - FON**	2,0
Sprint Corporation - PCS**	2

Edgar Filing: SPRINT CORP - Form 11-K

Total common stock	1,260,0
Equity mutual funds:	
Fidelity Magellan Fund, Inc. **	390,5
Fidelity Dividend Growth Fund, Inc. **	97,5
Fidelity Equity Income Fund, Inc. **	178,4
Fidelity OTC Portfolio Fund, Inc. **	126,2
Fidelity Overseas Fund, Inc. **	52,0
Capital Gardian International Equity Fund	1,8
Capital Gardian Emerging Market Equity Fund	1,3
Jennison Associates LLC Separately Managed Account	3,8
Janus Aspen Worldwide Growth Fund	4,2
Oak Associates, Ltd. Separately Managed Account	3,5
American Century Equity Income Fund	12,5
DFA U.S. Small-Cap Value Portfolio	16,6
Barclays' Russell 2000 Index Fund	4,0
Barclays' EAFE Equity Index Fund	6
Harris Associates, L.P. Separately Managed Account	2,5
Wall Street Associates Separately Managed Account	1,7
Total equity mutual funds	897,6
Bond mutual funds:	
PIMCO High Yield Fund	3,2
PIMCO Foreign Bond Fund	4,1
GMO Emerging Country Debt Share Fund	7,0
PIMCO Separately Managed 1 Account	243,7
PIMCO Separately Managed B Account	67,7
Total bond mutual funds	325,8
U.S. Stock index fund:	
Barclays' Equity Index Fund	60,8

23

SPRINT RETIREMENT SAVINGS PLAN
Investments
December 31, 2002

Identity of Issue	Cost
-----	-----
Short-term investments:	
Barclays' Money Market Fund	30,1
Fidelity Investment Cash Portfolio **	16,0
Fidelity Retirement Market Account**	-----

Edgar Filing: SPRINT CORP - Form 11-K

Total short-term investments	46,3
Other:	
Conservative Growth Portfolio	\$2,5
Moderate Growth Portfolio	2,9
Balanced Growth Portfolio	5,4
High Growth Portfolio	4,7
Aggressive Growth Portfolio	4,2

Total other investments	19,8
Notes receivable from participants	76,3

Total Investments	\$ 2,687,0
	=====

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

24

Schedule II

SPRINT RETIREMENT SAVINGS PLAN
REPORTABLE TRANSACTIONS
For the Year Ended December 31, 2002
(Thousands of Dollars)

NO REPORTABLE TRANSACTIONS FOR THE YEAR ENDED DECEMBER 31, 2002.

25

SIGNATURES

Edgar Filing: SPRINT CORP - Form 11-K

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Pension & Savings Trusts 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

Date: June 24, 2003

By: /s/ Gene Betts

Gene Betts
Pension & Savings Trusts Committee Member

26

EXHIBIT INDEX

Exhibit Number		Page
23a	Consent of Ernst & Young LLP	28
99	Certification in Compliance with 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	29

