

UNITED STATES CELLULAR CORP  
Form 10-Q/A  
February 17, 2004

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM 10-Q/A

(Amendment No. 1)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

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**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2003

OR

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**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 1-9712

# UNITED STATES CELLULAR CORPORATION

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**62-1147325**

(I.R.S. Employer Identification No.)

**8410 West Bryn Mawr, Suite 700, Chicago, Illinois 60631**

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(773) 399-8900**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 30, 2003
Common Shares, \$1 par value	53,125,817 Shares
Series A Common Shares, \$1 par value	33,005,877 Shares

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EXPLANATORY NOTE

United States Cellular Corporation ( U.S. Cellular ) is filing this Amendment No. 1 to its Quarterly Report on Form 10-Q for the quarter ended March 31, 2003, which was originally filed with the Securities and Exchange Commission (the SEC ) on May 14, 2003 (the Quarterly Report ), to amend Item 1 Financial Statements, Item 2 Management s Discussion and Analysis of Financial Condition and Results of Operations, and Item 3 Quantitative and Qualitative Disclosures about Market Risk contained in Part I Financial Information of the Quarterly Report and Item 6 Exhibits and Reports of Form 8-K contained in Part II Other Information of the Quarterly Report.

U.S. Cellular is filing this amendment in response to a comment letter received from the Division of Corporation Finance of the Securities and Exchange Commission (the SEC ). This report revises the disclosures related to U.S. Cellular s adoption of Statement of Financial Accounting Standards ( SFAS ) No. 143 Accounting for Asset Retirement Obligations and restates the financial statements in response to such comments. The SEC also requested additional disclosures be included in future filings which have been incorporated into this amendment. Such additional disclosures include, but are not limited to, defining the calculation of certain statistics, deleting acronyms, including total dollars in narratives, revising the captions of the statement of operations, disclosing the composition of selling and marketing cost per gross customer activation and disclosing additional information on critical accounting policies and estimates.

In addition, as required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended, new certifications by the U.S. Cellular principal executive officer and principal financial officer are being filed with this Form 10-Q/A.

Except as expressly stated herein, this amendment does not update any of the disclosures contained in the original filing to reflect any events that occurred after the original filing date of May 14, 2003. The filing of this Form 10-Q/A shall not be deemed an admission that the original filing, when made, included any untrue statement of a material fact or omitted to state a material fact necessary to make a statement not misleading.

UNITED STATES CELLULAR CORPORATION

**1ST QUARTER REPORT ON FORM 10-Q/A**

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**PART I. FINANCIAL INFORMATION**

**ITEM I. FINANCIAL STATEMENTS**



**UNITED STATES CELLULAR CORPORATION AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF OPERATIONSUnaudited

	Three Months Ended March 31,	
	2003 (As Restated)	2002 (As Restated)
(Dollars in thousands, except per share amounts)		
<b>OPERATING REVENUES</b>		
Service	\$ 564,601	\$ 461,113
Equipment sales	31,313	17,307
Total Operating Revenues	595,914	478,420
<b>OPERATING EXPENSES</b>		
System operations (excluding Depreciation shown separately below)	137,965	107,921
Marketing and selling	108,921	79,226
Cost of equipment sold	64,765	30,367
General and administrative	157,449	108,478
Depreciation	94,900	65,977
Amortization and accretion	14,677	6,775
Loss on assets held for sale	23,500	
Total Operating Expenses	602,177	398,744
OPERATING INCOME (LOSS)	(6,263)	79,676
<b>INVESTMENT AND OTHER INCOME</b>		
Investment income	12,378	10,461
Interest and dividend income	570	1,037
Other income (expense), net	(309)	357
Interest (expense)	(15,454)	(9,030)
(Loss) on investments	(3,500)	
Total Investment and Other Income (Expense)	(6,315)	2,825
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST	(12,578)	82,501
Income tax expense (benefit)	(1,149)	35,675
INCOME (LOSS) BEFORE MINORITY INTEREST	(11,429)	46,826
Minority share of income	(3,229)	(2,433)
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES	(14,658)	44,393
Cumulative effect of accounting changes, net of tax	(14,346)	4,097
NET INCOME (LOSS)	\$ (29,004)	\$ 48,490
BASIC WEIGHTED AVERAGE SHARES OUTSTANDING (000s)	86,121	86,053
<b>BASIC EARNINGS (LOSS) PER SHARE (Note 6)</b>		
Income (Loss) Before Cumulative Effect of Accounting Changes	\$ (0.17)	\$ 0.52
Cumulative Effect of Accounting Changes	(0.17)	0.04
Net Income (Loss)	\$ (0.34)	\$ 0.56

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DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING (000s)		86,121		89,187
DILUTED EARNINGS (LOSS) PER SHARE (Note 6)				
Income (Loss) Before Cumulative Effect of Accounting Changes	\$	(0.17)	\$	0.51
Cumulative Effect of Accounting Changes		(0.17)		0.05
Net Income (Loss)	\$	(0.34)	\$	0.56

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

**UNITED STATES CELLULAR CORPORATION AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWSUnaudited

	Three Months Ended March 31,	
	2003 (As Restated)	2002 (As Restated)
	(Dollars in thousands)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ (29,004)	\$ 48,490
Add (Deduct) adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation, amortization and accretion	109,577	72,752