

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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FILER

UNITED CASH MANAGEMENT INC

CIK: **311405** | IRS No.: **031177049** | State of Incorporation: **KS** | Fiscal Year End: **0630**
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UNITED
CASH
MANAGEMENT,
INC.

ANNUAL
REPORT

For the fiscal year ended June 30, 1996

FUND MANAGER'S LETTER

JUNE 30, 1996

Dear Shareholder:

This report relates to the operation of United Cash Management, Inc. for the fiscal year ended June 30, 1996, and provides information regarding the Fund's performance during that period.

During the first half of the past fiscal year, the Federal Reserve Bank lowered short-term interest rates in response to a slowing economy and lower inflation rates. As 1996 began, the economy began to show signs of strengthening, giving rise to concerns that the Federal Reserve Bank would increase interest rates to combat inflationary pressures.

As the Federal Reserve Bank began to lower short-term interest rates during the first half of the past fiscal year, the Fund extended the average maturity of its portfolio to lock in the higher interest rates. In response to indications that the economy was strengthening during the third fiscal quarter, the Fund began to lower the portfolio's average maturity to take advantage of the prospects for higher short-term interest rates. The Fund also maintained a significant position in floating-rate instruments which adjust relatively quickly to changes in interest rates.

Heading into the Fund's next fiscal year, data suggests that the economy will sustain its moderate rate of growth. To combat inflationary pressures that may result from a growing economy, the Federal Reserve Bank may take steps to increase short-term interest rates. In the event of an increase in short-term rates, the Fund intends to shorten the average maturity of its portfolio as securities mature. The Fund plans to continue emphasizing floating-rate securities as an important component of its portfolio and actively searching for attractive investment opportunities.

Thank you very much for your continued support and confidence in our organization.

Respectfully,

Richard K. Poettgen
 Manager, United Cash Management, Inc.

THE INVESTMENTS OF
 UNITED CASH MANAGEMENT, INC.
 JUNE 30, 1996

	Principal Amount in Thousands	Value
BANK OBLIGATIONS		
Certificates of Deposit - 7.95%		
Yankee		
Banque Nationale de Paris,		
5.31%, 3-6-97	\$10,000	\$10,000,000
Creditanstalt - Bankverein,		
5.38%, 3-7-97	10,000	10,000,000
Societe Generale - New York,		
5.3%, 2-21-97	12,000	12,000,000
Total		32,000,000
Commercial Paper (backed by irrevocable bank letter of credit) - 4.46%		
Banco Nacional de Mexico S.A.		
(Barclays Bank PLC),		
5.12%, 7-24-96	5,000	4,983,645
Nacional Financiera, S.N.C., Grand Cayman Branch (Societe Generale),		
5.33%, 7-29-96	5,000	4,979,272
Petroleo Brasileiro S.A. - Petrobras		
(Barclays Bank PLC),		
5.24%, 7-9-96	8,000	7,990,685
Total		17,953,602
Notes - 10.56%		
Abbey National Treasury Services plc,		
7.8%, 12-16-96	3,000	3,029,753
Capital One Funding Corporation		
(Bank One, Kentucky, NA),		
5.5%, 7-5-96	13,500	13,500,000
Comerica Bank,		
5.4605%, 7-15-96	12,000	12,000,000
PNC Bank, N.A.,		
5.3992%, 7-22-96	14,000	13,997,442
Total		42,527,195
TOTAL BANK OBLIGATIONS - 22.97%		\$92,480,797

(Cost: \$92,480,797)

CORPORATE OBLIGATIONS

Commercial Paper

Chemicals and Allied Products - 5.15%

Hercules Inc.:

5.3%, 7-23-96 7,000 6,977,328

5.34%, 8-14-96 4,822 4,790,529

PPG Industries Inc.,

5.33%, 7-11-96 9,000 8,986,675

Total 20,754,532

See Notes to Schedule of Investments on page 7.

THE INVESTMENTS OF

UNITED CASH MANAGEMENT, INC.

JUNE 30, 1996

Principal
Amount in
Thousands

Value

CORPORATE OBLIGATIONS (Continued)

Commercial Paper (Continued)

Electric, Gas, and Sanitary Services - 3.29%

Idaho Power Co.:

5.36%, 7-22-96 \$ 4,800 \$ 4,784,992

5.4%, 7-30-96 4,492 4,472,460

Pacificorp,

5.3%, 7-16-96 4,000 3,991,167

Total 13,248,619

Electronic and Other Electric Equipment - 3.91%

Sony Capital Corp.,

5.3%, 7-19-96 3,300 3,291,255

TDK (USA) Corp.:

5.32%, 7-17-96 10,470 10,445,244

5.35%, 7-17-96 2,000 1,995,244

Total 15,731,743

Forestry - 1.50%

Weyerhaeuser Co.,

5.3%, 7-2-96 6,060 6,059,108

Insurance Carriers - 3.12%

Safeco Credit Company, Inc.,

5.37%, 8-19-96 2,600 2,580,996

Transamerica Finance Corporation,

5.32%, 7-15-96 10,000 9,979,311

Total 12,560,307

Nondepository Institutions - 2.01%		
Associates Corporation of North America, 5.36%, 7-29-96	7,800	7,767,483
Island Finance Puerto Rico Inc., 5.31%, 7-9-96	310	309,634
Total		8,077,117
Petroleum and Coal Products - 3.48%		
Amoco Corporation:		
5.35%, 7-8-96	5,000	5,000,000
5.48%, 7-25-96	9,000	9,000,000
Total		14,000,000
Printing and Publishing - 1.86%		
American Greetings Corp., 5.35%, 7-10-96	7,500	7,489,969
Tobacco Products - 1.99%		
B.A.T. Capital Corp.:		
5.3%, 7-3-96	7,000	6,997,939
5.37%, 7-23-96	1,000	996,718
Total		7,994,657

See Notes to Schedule of Investments on page 7.

THE INVESTMENTS OF
UNITED CASH MANAGEMENT, INC.
JUNE 30, 1996

	Principal Amount in Thousands	Value
CORPORATE OBLIGATIONS (Continued)		
Commercial Paper (Continued)		
Transportation Equipment - 2.48%		
Echlin, Inc., 5.35%, 7-8-96	\$10,000	\$ 9,989,597
Total Commercial Paper - 28.79%		115,905,649
Commercial Paper (backed by irrevocable bank letter of credit)		
Electric, Gas, and Sanitary Services - 2.40%		
CommEd Fuel Co. Inc. (First National Bank of Chicago), 5.29%, 7-23-96	9,682	9,650,700
Hotels and Other Lodging Places - 1.23%		
Accor (Banque Nationale de Paris), 5.3%, 8-1-96	5,000	4,977,181

Total Commercial Paper (backed by irrevocable bank letter of credit)- 3.63%		14,627,881
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Notes

Auto Repair, Services, and Parking - 3.23%		
PHH Corporation, 5.4451%, 7-26-96	13,000	12,994,398

Communication - 3.72%		
AT&T Capital Corp.:		
6.29%, 7-5-96	10,000	10,000,447
5.5344%, 7-18-96	5,000	5,000,739
Total		15,001,186

Food and Kindred Products - 1.29%		
Grand Metropolitan Investment Corporation, 8.125%, 8-15-96	5,200	5,213,725

Nondepository Institutions - 1.62%		
American Express Credit Corp., 7.875%, 12-1-96	1,500	1,514,805
Associates Corporation of North America:		
6.02%, 8-19-96	4,000	4,002,909
4.625%, 11-30-96	1,000	996,520
Total.....		6,514,234

See Notes to Schedule of Investments on page 7.

THE INVESTMENTS OF
UNITED CASH MANAGEMENT, INC.
JUNE 30, 1996

	Principal Amount in Thousands	Value
CORPORATE OBLIGATIONS (Continued)		
Notes (Continued)		
Security and Commodity Brokers - 3.48%		
Merrill Lynch & Co., Inc., 5.4197%, 5-29-97	\$14,000	\$ 14,000,000
Total Notes - 13.34%		53,723,543
TOTAL CORPORATE OBLIGATIONS - 45.76%		\$184,257,073
(Cost: \$184,257,073)		

MUNICIPAL OBLIGATIONS

California - 8.68%		
City of Anaheim, California, Certificates		

of Participation (1993 Arena Financing Project), Municipal Adjustable Rate Taxable Securities (Credit Suisse), 5.5%, 8-1-96	15,000	15,000,000
Oakland-Alameda County Coliseum Lease Revenue Bonds (Oakland Coliseum Project), 1995 Series B-1 (Canadian Imperial Bank of Commerce), 5.43%, 8-7-96	15,000	15,000,000
Community Redevelopment Agency of the City of Visalia, California, East Visalia Redevelopment Project, Variable Interest Short Term Adjustable Securities (National Westminster Bank PLC), 5.592%, 7-4-96	4,955	4,955,000
Total		34,955,000

Missouri - 0.33%

The Industrial Development Authority of the County of St. Louis, Missouri, Series 1991B (Citibank of New York), 6.125%, 7-4-96	1,335	1,335,000
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New York - 5.34%

Health Insurance Plan of Greater New York (Morgan Guaranty Trust Company of New York), 5.55%, 7-3-96	21,500	21,500,000
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See Notes to Schedule of Investments on page 7.

THE INVESTMENTS OF
UNITED CASH MANAGEMENT, INC.
JUNE 30, 1996

	Principal Amount in Thousands	Value
MUNICIPAL OBLIGATIONS (Continued)		
Pennsylvania - 1.12%		
Berks County Industrial Development Authority (Commercial Facilities Project), Series B of 1995 (Meridian Bank), 5.55%, 7-3-96	\$ 3,440	\$ 3,440,000
Montgomery County Industrial Development Authority, Taxable Fixed Rate/Variable Rate Demand Revenue Bonds (410 Horsham Associates Project), Series of 1995 (Meridian Bank), 5.55%, 7-3-96	1,050	1,050,000

Total		4,490,000
Texas - 5.28%		
Metrocrest Hospital Authority, Series 1989A (The Bank of New York), 5.4689%, 8-1-96	15,000	14,929,360
Lower Neches Valley Authority, Industrial Development Corporation (Texas), Variable Rate Sewage Facilities Revenue Bonds, Series 1995A (Taxable) (Mobil Oil Refining Corporation Project), 5.38%, 7-15-96	6,340	6,340,000
Total		21,269,360

TOTAL MUNICIPAL OBLIGATIONS - 20.75% \$ 83,549,360
(Cost: \$83,549,360)

UNITED STATES GOVERNMENT OBLIGATIONS

Federal Farm Credit Banks, 4.95%, 3-3-97	10,000	9,977,531
Federal Home Loan Banks, 5.65%, 7-3-96	14,000	14,000,000
Federal Home Loan Mortgage Corporation, 4.7%, 7-26-96	2,000	1,999,016
Federal National Mortgage Association, 5.47%, 9-20-96	10,000	9,990,340
Student Loan Marketing Association, 5.54%, 7-2-96	15,000	15,000,000

TOTAL UNITED STATES GOVERNMENT
OBLIGATIONS - 12.66% \$ 50,966,887
(Cost: \$50,966,887)

TOTAL INVESTMENT SECURITIES - 102.14% \$411,254,117
(Cost: \$411,254,117)

LIABILITIES, NET OF CASH AND OTHER ASSETS - (2.14%) (8,615,119)

NET ASSETS - 100.00% \$402,638,998

Notes to Schedule of Investments

Cost of investments owned is the same as that used for Federal income tax purposes.

See Note 1 to financial statements for security valuation and other significant accounting policies concerning investments.

UNITED CASH MANAGEMENT, INC.
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1996

Assets

Investment securities - at value (Note 1)	\$411,254,117
Cash	123,852
Receivables:	
Interest	2,260,826
Fund shares sold	455,012
Prepaid insurance premium	17,142

Total assets	414,110,949

Liabilities

Payable for Fund shares redeemed	11,112,188
Dividends payable	158,733
Accrued transfer agency and dividend disbursing ..	157,890
Accrued accounting services fee	5,000
Accrued service fee	525
Other	37,615

Total liabilities	11,471,951

Total net assets	\$402,638,998
	=====

Net Assets

\$0.01 par value capital stock, authorized -- 5,000,000,000;	
Class A shares outstanding -- 402,008,903;	
Class B shares outstanding -- 630,095	
Capital stock	\$ 4,026,390
Additional paid-in capital	398,612,608

Net assets applicable to outstanding	
units of capital	\$402,638,998
	=====

Net asset value, redemption and offering price	
per share for Class A and Class B	\$1.00
	=====

See notes to financial statements.

UNITED CASH MANAGEMENT, INC.
STATEMENT OF OPERATIONS
For the Fiscal Year Ended JUNE 30, 1996

Investment Income	
Interest	\$23,901,600

Expenses (Note 2):	
Transfer agency and dividend disbursing	1,709,514
Investment management fee	1,686,054
Accounting services fee	60,000
Custodian fees	54,208
Audit fees	24,034
Legal fees	9,098
Distribution fee - Class B	2,440
Service fee - Class B	872
Other	227,656

Total expenses	3,773,876

Net investment income	20,127,724

Net increase in net assets resulting from operations	\$20,127,724
	=====

See notes to financial statements.

UNITED CASH MANAGEMENT, INC.
STATEMENT OF CHANGES IN NET ASSETS

	For the fiscal year ended June 30,	
	1996	1995
	-----	-----
Increase in Net Assets		
Operations:		
Net investment income	\$20,127,724	\$ 15,702,325
	-----	-----
Net increase in net assets resulting from operations	20,127,724	15,702,325
	-----	-----
Dividends to shareholders from net investment income:*		
Class A	(20,115,214)	(15,702,325)
Class B	(12,510)	---
	-----	-----
	(20,127,724)	(15,702,325)
	-----	-----
Capital share transactions:		
Proceeds from sale of shares:		
Class A (2,162,044,174 and 845,981,959 shares, respectively)	2,162,044,174	845,981,959
Class B (1,209,660 and 0 shares, respectively)	1,209,660	---

Proceeds from reinvestment of dividends:		
Class A (19,534,491 and 15,306,048 shares, respectively)	19,534,491	15,306,048
Class B (11,555 and 0 shares, respectively)	11,555	---
Payments for shares redeemed:		
Class A (2,148,369,622 and 809,407,787 shares, respectively)	(2,148,369,622)	(809,407,787)
Class B (591,120 and 0 shares, respectively)	(591,120)	---
	-----	-----
Net increase in net assets resulting from capital share transactions	33,839,138	51,880,220
	-----	-----
Total increase	33,839,138	51,880,220
Net Assets		
Beginning of period	368,799,860	316,919,640
	-----	-----
End of period	\$402,638,998	\$368,799,860
	=====	=====
Undistributed net investment income	\$---	\$---
	====	====

*See "Financial Highlights" on pages 11-12.

See notes to financial statements.

UNITED CASH MANAGEMENT, INC.

FINANCIAL HIGHLIGHTS

Class A Shares

For a Share of Capital Stock Outstanding

Throughout Each Period:

	For the fiscal year ended June 30,				
	1996	1995	1994	1993	1992
	-----	-----	-----	-----	-----
Net asset value, beginning of period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
	-----	-----	-----	-----	-----
Net investment income	0.0487	0.0465	0.0252	0.0251	0.0434
Less dividends					

declared	(0.0487)	(0.0465)	(0.0252)	(0.0251)	(0.0434)
	-----	-----	-----	-----	-----
Net asset value, end of period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
	=====	=====	=====	=====	=====
Total return.....	5.01%	4.74%	2.55%	2.57%	4.41%
Net assets, end of period (000 omitted)	\$402,009	\$368,800	\$316,920	\$350,624	\$448,127
Ratio of expenses to average net assets	0.91%	0.97%	1.04%	1.06%	0.99%
Ratio of net investment income to average net assets	4.89%	4.68%	2.51%	2.56%	4.36%

See notes to financial statements.

UNITED CASH MANAGEMENT, INC.

FINANCIAL HIGHLIGHTS

Class B Shares

For a Share of Capital Stock Outstanding

Throughout the Period:

For the
period
from 9/5/95
through
6/30/96*

Net asset value, beginning of period	\$1.00

Net investment income	0.0312
Less dividends declared	(0.0312)

Net asset value, end of period	\$1.00
	=====
Total return.....	3.15%
Net assets, end of period (000 omitted)	\$630
Ratio of expenses to	

average net
assets 1.88%**
Ratio of net
investment income
to average net
assets 3.76%**

*On September 5, 1995, the Fund began offering Class B shares to the public. Fund shares outstanding prior to that date were designated Class A shares.

**Annualized.

See notes to financial statements.

UNITED CASH MANAGEMENT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE 1 -- Significant Accounting Policies

United Cash Management, Inc. (the "Fund") is registered under the Investment Company Act of 1940 as a diversified, open-end management investment company. Its investment objective is to seek maximum current income to the extent consistent with stability of principal by investing in a portfolio of money market instruments meeting specified quality standards. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The policies are in conformity with generally accepted accounting principles.

- A. Security valuation -- The Fund invests only in money market securities with maturities or irrevocable put options within one year. The Fund uses the amortized cost method of security valuation which is accomplished by valuing a security at its cost and thereafter assuming a constant amortization rate to maturity of any discount or premium.
- B. Security transactions and related investment income -- Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Securities gains and losses, if any, are calculated on the identified cost basis. Interest income is recorded on the accrual basis.
- C. Federal income taxes -- It is the Fund's policy to distribute all of its taxable income and capital gains to its shareholders and otherwise qualify as a regulated investment company under the Internal Revenue Code. Accordingly, no provision has been made for Federal income taxes.
- D. Dividends to shareholders -- All of the Fund's net income is declared and recorded by the Fund as dividends on each day to shareholders of record at the time of the previous determination of net asset value. Dividends are declared from the total of net investment income, plus or minus realized

gains or losses on portfolio securities. Since the Fund does not expect to realize any long-term capital gains, it does not expect to pay any capital gains distributions.

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2 -- Investment Management and Payments to Affiliated Persons

The Fund pays a fee for investment management services. The fee is computed daily based on the net asset value at the close of business. The fee consists of a "Group" fee computed each day on the combined net asset values of all of the funds in the United Group of mutual funds (approximately \$14.3 billion of combined net assets at June 30, 1996) at annual rates of .51% of the first \$750 million of combined net assets, .49% on that amount between \$750 million and \$1.5 billion, .47% between \$1.5 billion and \$2.25 billion, .45% between \$2.25 billion and \$3 billion, .43% between \$3 billion and \$3.75 billion, .40% between \$3.75 billion and \$7.5 billion, .38% between \$7.5 billion and \$12 billion, and .36% of that amount over \$12 billion. The Fund accrues and pays this fee daily.

Pursuant to assignment of the Investment Management Agreement between the Fund and Waddell & Reed, Inc. ("W&R"), Waddell & Reed Investment Management Company ("WRIMCO"), a wholly-owned subsidiary of W&R, serves as the Fund's investment manager.

The Fund has an Accounting Services Agreement with Waddell & Reed Services Company ("WARSCO"), a wholly-owned subsidiary of W&R. Under the agreement, WARSCO acts as the agent in providing accounting services and assistance to the Fund and pricing daily the value of shares of the Fund. For these services, the Fund pays WARSCO a monthly fee of one-twelfth of the annual fee shown in the following table.

Average		Accounting Services Fee
Net Asset Level		Annual Fee
(all dollars in millions)		Rate for Each Level
-----		-----
From \$	0 to \$ 10	\$ 0
From \$	10 to \$ 25	\$ 10,000
From \$	25 to \$ 50	\$ 20,000
From \$	50 to \$ 100	\$ 30,000
From \$	100 to \$ 200	\$ 40,000
From \$	200 to \$ 350	\$ 50,000
From \$	350 to \$ 550	\$ 60,000
From \$	550 to \$ 750	\$ 70,000
From \$	750 to \$1,000	\$ 85,000
	\$1,000 and Over	\$100,000

The Fund also pays WARSCO a monthly per account charge of \$1.75 for each shareholder account which was in existence at any time during the prior month and \$0.75 for each shareholder check it processed. The Fund also reimburses W&R and WARSCO for certain out-of-pocket costs.

The Fund has adopted a 12b-1 plan for Class B shares under which W&R, principal underwriter and sole distributor of the Fund's shares, is compensated in an amount calculated and payable daily up to 1% annually of the Fund's average daily net assets for Class B shares. This fee consists of two elements: (i) up to 0.75% may be paid to the Distributor (W&R) for distribution services and distribution expenses including commissions paid by the Distributor to its sales representatives and managers and (ii) up to 0.25% may be paid to reimburse the Distributor for continuing payments made to the Distributor's representatives and managers, its administrative costs in overseeing these payments, and the expenses of WARSCO in providing certain personal services to shareholders. During the period ended June 30, 1996, the Distributor received \$3,312 in 12b-1 payments. During this same period W&R paid no sales commissions.

A contingent deferred sales charge may be assessed against a shareholder's redemption amount of Class B shares and paid to the Distributor, W&R. The purpose of the deferred sales charge is to compensate the Distributor for the costs incurred by the Distributor in connection with the sale of a Fund's shares. The amount of the deferred sales charge will be the following percent of the total amount invested during a calendar year to acquire the shares or the value of the shares redeemed, whichever is less. Redemption at any time during the calendar year of investment and the first full calendar year after the calendar year of investment, 3%; the second full calendar year, 2%; the third full calendar year, 1%; and thereafter, 0%. All investments made during a calendar year shall be deemed as a single investment during the calendar year for purposes of calculating the deferred sales charge. The deferred sales charge will not be imposed on shares representing payment of dividends or distributions or on amounts which represent an increase in the value of the shareholder's account resulting from capital appreciation above the amount paid for shares purchased during the deferred sales charge period. During the period ended June 30, 1996, the Distributor received \$2,980 in deferred sales charges.

The Fund paid Directors' fees of \$15,616.

W&R is an indirect subsidiary of Torchmark Corporation, a holding company, and United Investors Management Company, a holding company, and a direct subsidiary of Waddell & Reed Financial Services, Inc., a holding company.

NOTE 3 -- Commencement of Multiclass Operations

On September 5, 1995, the Fund was authorized to offer investors a choice of two classes of shares, Class A and Class B, each of which has equal rights as to assets and voting privileges. Class A shares are not subject to a sales charge on purchases or a contingent deferred sales charge on redemption; they are not subject to a Rule 12b-1 Service Plan. A comprehensive discussion of the terms under which shares of either class are offered is contained in the Prospectus

and the Statement of Additional Information for the Fund. The Fund commenced multiclass operations on September 5, 1995.

Income and non-class specific expenses are allocated daily to each class of shares based on the value of relative net assets as of the beginning of each day adjusted for the prior day's capital share activity.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
United Cash Management, Inc.

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of United Cash Management, Inc. (the "Fund") at June 30, 1996, the results of its operations for the year then ended and the changes in its net assets and the financial highlights for each of the periods indicated, in conformity with generally accepted accounting principles. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards 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, which included confirmation of securities at June 30, 1996 by correspondence with the custodian, provide a reasonable basis for the opinion expressed above.

Price Waterhouse LLP
Kansas City, Missouri
August 5, 1996

INCOME TAX INFORMATION

Dividends are taxable to shareholders and are reportable in your Federal income tax returns for the years in which the dividends were received or reinvested.

Statements as to the tax status of each investor's dividends will be mailed annually.

Dividends are declared and recorded by the Fund on each day the New York Stock Exchange is open for business.

Shareholders are advised to consult with their tax advisers concerning the tax treatment of dividends from the Fund.

Corporations:

The dividends are not eligible for the dividends received deduction.

This report is submitted for the general information of the shareholders of United Cash Management, Inc. It is not authorized for distribution to prospective investors in the Fund unless accompanied with or preceded by the United Cash Management, Inc. current prospectus.

To all IRA Planholders:

As required by law, income tax will automatically be withheld from any distribution or withdrawal from an IRA unless you make a written election not to have taxes withheld. The election may be made by submitting forms provided by Waddell & Reed, Inc. which can be obtained from your Waddell & Reed representative or by submitting Internal Revenue Service form W-4P. Once made, an election can be revoked by providing written notice to Waddell & Reed, Inc. If you elect not to have tax withheld you may be required to make payments of estimated tax. Penalties may be imposed by the IRS if withholding and estimated tax payments are not adequate.

DIRECTORS

Ronald K. Richey, Birmingham, Alabama, Chairman of the Board
Henry L. Bellmon, Red Rock, Oklahoma
Dodds I. Buchanan, Boulder, Colorado
Jay B. Dillingham, Kansas City, Missouri
Linda Graves, Topeka, Kansas
John F. Hayes, Hutchinson, Kansas
Glendon E. Johnson, Miami, Florida
William T. Morgan, Coronado, California
Doyle Patterson, Kansas City, Missouri
Eleanor B. Schwartz, Kansas City, Missouri
Keith A. Tucker, Overland Park, Kansas
Frederick Vogel III, Milwaukee, Wisconsin
Paul S. Wise, Carefree, Arizona

OFFICERS

Keith A. Tucker, President
Robert L. Hechler, Vice President
Henry J. Herrmann, Vice President

John M. Holliday, Vice President
Theodore W. Howard, Vice President and Treasurer
Sharon K. Pappas, Vice President and Secretary
Richard K. Poettgen, Vice President

The United Group of Mutual Funds
United Asset Strategy Fund, Inc.
United Cash Management, Inc.
United Continental Income Fund, Inc.
United Funds, Inc.
 United Bond Fund
 United Income Fund
 United Accumulative Fund
 United Science and Technology Fund
United Gold & Government Fund, Inc.
United Government Securities Fund, Inc.
United High Income Fund, Inc.
United High Income Fund II, Inc.
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