UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

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

Date of Report: March 17, 1999
(Amending Form 8-K dated February 4, 1999)

Commission File No. 001-13783

INTEGRATED ELECTRICAL SERVICES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	76-0542208
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

515 Post Oak Boulevard
Suite 450
Houston, Texas 77027-9408
(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code: (713) 860-1500

ITEM 5. OTHER EVENTS

In order to comply with the disclosure requirements of the Securities and Exchange Commission regarding the financial statements of businesses acquired, the Company is filing this Amendment to its Current Report on Form 8-K dated February 4, 1999 containing the audited financial statements of Kayton Electric, Inc.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Kayton Electric, Inc.:

We have audited the accompanying balance sheet of Kayton Electric, Inc. as of December 31, 1997 and the related statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing standards. 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kayton Electric, Inc. as of December 31, 1997 and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

KPMG PEAT MARWICK LLP

Lincoln, Nebraska
January 28, 1998
(November 19, 1998 as to Note 8)

KAYTON ELECTRIC, INC.

Balance Sheets

September 30, 1998 (unaudited) and December 31, 1997

ASSETS	SEPTEMBER 30, 1998 (unaudited)	DECEMBER 31, 1997
Current assets:		
Cash	$ 601,667	$ 830,628
Accounts receivable, including retainages of $621,799 (unaudited) and $707,935 at September 30, 1998 and December 31, 1997, respectively	1,587,585	2,407,479
Materials for projects in progress	440,000	600,000
Costs and estimated earnings in excess of billings on uncompleted contracts	625,529	428,756
Other current assets	191,000	179,000
Total current assets	3,445,781	4,445,863
Property and equipment, at cost	2,385,300	2,315,929
Less accumulated depreciation	1,482,115	1,417,895
Net property, plant and equipment	903,185	898,034
Other assets	26,881	7,997
	$ 4,375,847	$ 5,351,894
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 452,940	$ 627,762
Current installments of long-term debt	6,000	66,000
Billings in excess of costs and estimated earnings on uncompleted contracts	614,697	1,030,465
Accrued expenses	473,740	461,938
Other current liabilities	243,937	235,683
Total current liabilities	1,791,314	2,421,848
Long-term debt	--	546,000
Total liabilities	1,791,314	2,967,848
Stockholders' equity:		
Common stock of $1 par value. Authorized 75,000 shares, issued 60,000 shares	60,000	60,000
Paid-in capital in excess of par value	84,989	84,989
Retained earnings	2,439,544	2,239,057
Total stockholders' equity	2,584,533	2,384,046
Commitments		
	$ 4,375,847	$ 5,351,894

KAYTON ELECTRIC, INC

Statements of Earnings and Retained Earnings

Nine-month periods ended September 30, 1998 and 1997 (unaudited)
and year ended December 31, 1997

	SEPTEMBER 30, 1998	SEPTEMBER 30, 1997	DECEMBER 31, 1997
	(unaudited)		
Contract revenues	$ 10,193,439	$10,650,913	$14,991,171
Cost of construction			
Direct	8,082,121	8,706,306	12,368,485
Indirect	573,222	576,920	775,260
Total cost of construction	8,655,343	9,283,226	13,143,745
Gross profit	1,538,096	1,367,687	1,847,426
General and administrative expenses	711,438	738,029	1,016,369
Operating income	826,658	629,658	831,057
Other income (deductions):			
Interest and dividend income	25,943	1,083	5,640
Interest expense	(390)	(11,594)	(12,166)
Miscellaneous	17,276	22,458	27,624
Total other income (deductions), net	42,829	11,947	21,098
Net earnings	869,487	641,605	852,155
Retained earnings, beginning of year	2,239,057	2,009,652	2,009,652
Dividends paid	(669,000)	(622,750)	(622,750)
Retained earnings, end of year	$ 2,439,544	$ 2,028,507	$ 2,239,057

See accompanying notes to financial statements.

KAYTON ELECTRIC, INC.

Statements of Cash Flows

Nine-month periods ended September 30, 1998 and 1997 (unaudited)
and year ended December 31, 1997

	September 30, 1998	September 30, 1997	December 31, 1997
	(unaudited)	(unaudited)	
Cash flows from operating activities:			
Net earnings	$ 869,487	$ 641,605	$ 852,155
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	180,646	190,825	258,310
Gain from sale of equipment	2,574	4,941	4,941
Changes in assets and liabilities:			
Accounts receivable	819,894	273,699	(334,935)
Materials for projects in progress	160,000	(80,000)	100,000
Costs and estimated earnings in excess of billings on uncompleted contracts	(196,773)	(77,198)	84,853
Other current assets	(12,000)	(12,000)	(16,000)
Other assets	(18,884)	3,000	2,403
Accounts payable	(174,822)	(17,186)	40,312
Billings in excess of costs and estimated earnings on uncompleted contracts	(415,768)	421,341	402,754
Accrued expenses	11,801	19,004	55,302
Other current liabilities	8,254	14,801	28,180
Total adjustments	364,922	741,227	626,120
Net cash provided by operating activities	1,234,409	1,382,832	1,478,275
Cash flows from investing activities:			
Capital expenditures	(201,745)	(185,957)	(247,379)
Proceeds from sale of equipment	13,375	5,250	5,250
Net cash used by investing activities	(188,370)	(180,707)	(242,129)
Cash flows from financing activities:			
Principal payments on long-term debt	(606,000)	(1,235,250)	(765,250)
Proceeds from long-term debt	--	600,000	730,000
Dividends paid	(669,000)	(622,750)	(622,750)
Net cash used by financing activities	(1,275,000)	(1,258,000)	(658,000)
Net increase (decrease) in cash	(228,961)	(55,875)	578,146
Cash, beginning of year/period	830,628	252,482	252,482
Cash, end of year/period	$ 601,667	$ 196,607	$ 830,628

KAYTON ELECTRIC, INC.

Notes to Financial Statements

September 30, 1998 and 1997 and December 31, 1997
(Data as of and for the nine-months periods ended
September 30, 1998 and 1997 is unaudited)

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Kayton Electric, Inc. (the Company) is engaged in electrical contracting in Nebraska and neighboring states. The length of the Company's contracts is typically less than two years.

METHOD OF ACCOUNTING FOR CONTRACTS

The Company uses the percentage-of-completion method of accounting for financial reporting and tax purposes. Revenues on contracts are recorded on the basis of the Company's estimates of the percentage of completion of individual contracts, commencing when progress reaches a point where experience is sufficient to estimate final results with reasonable accuracy. Provision for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in estimated profitability are recognized in the period the revisions are determined.

MATERIALS FOR PROJECTS IN PROGRESS

Materials are stated at the lower of cost or market and are charged to job costs as they are utilized.

DEPRECIATION

Depreciation is provided by the use of the straight-line depreciation method over the estimated useful lives of the respective assets.

INCOME TAXES

The Company has elected, under the S Corporation provisions of the Internal Revenue Code, not to pay any income tax on its income and instead, to have its stockholders pay taxes on such income, whether distributed or not. Consequently, no provision has been made in the accompanying financial statements for income taxes on earnings of the Company.

USE OF ESTIMATES

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

KAYTON ELECTRIC, INC.

Notes to Financial Statements

September 30, 1998 and 1997 and December 31, 1997
(Data as of and for the nine-months periods ended
September 30, 1998 and 1997 is unaudited)

WARRANTY COSTS

For certain contracts, the Company warrants labor for the first year after installation of new electrical systems. The Company generally warrants labor for 30 days after servicing of existing electrical systems. A reserve for warranty costs is recorded based upon the historical level of warranty claims and management's estimate of future costs.

UNAUDITED INTERIM FINANCIAL INFORMATION

The interim financial statements for the nine months ended September 30, 1998 and 1997, are unaudited and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of the Company's management, the unaudited interim financial statements contain all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation. The results of operations for the interim periods are not necessarily indicative of the results for the entire fiscal year.

(2) CONTRACTS IN PROGRESS

Costs incurred to date, estimated earnings and the related progress billings to date of contracts in progress at September 30, 1998 and December 31, 1997 are shown below:

	SEPTEMBER 30, 1998	DECEMBER 31, 1997
Costs incurred to date	$ 5,123,025	$5,112,997
Estimated earnings	873,459	739,808
	5,996,484	5,852,805
Less progress billings to date	5,985,652	6,454,514
	$ 10,832	$ (601,709)

KAYTON ELECTRIC, INC.

Notes to Financial Statements

September 30, 1998 and 1997 and December 31, 1997
(Data as of and for the nine-months periods ended
September 30, 1998 and 1997 is unaudited)

Included in the accompanying balance sheets at September 30, 1998 and December 31, 1997, under the following captions:

	SEPTEMBER 30, 1998	DECEMBER 31, 1997
Costs and estimated earnings in excess of billings on contracts in progress	$ 625,529	$ 428,756
Billings in excess of costs and estimated earnings on contracts in progress	(614,697)	(1,030,465)
	$ 10,832	$ (601,709)

(3) PROPERTY, PLANT AND EQUIPMENT

A summary of the major classifications of property, plant and equipment at September 30, 1998 and December 31, 1997 is shown below:

	SEPTEMBER 30, 1998	DECEMBER 31, 1997
Land	$ 51,556	$ 51,556
Vehicles and equipment	1,473,259	1,436,386
Tools	750,088	728,730
Office equipment	110,397	99,257
	$2,385,300	$2,315,929

KAYTON ELECTRIC, INC.

Notes to Financial Statements

September 30, 1998 and 1997 and December 31, 1997
(Data as of and for the nine-months periods ended
September 30, 1998 and 1997 is unaudited)

(4) LONG-TERM DEBT AND NOTES PAYABLE

Long-term debt at September 30, 1998 and December 31, 1997 is shown below:

	SEPTEMBER 30, 1998	DECEMBER 31, 1997
Note payable to bank, due in monthly principal installments of $5,000 through May 2008, interest at a variable rate (9.5% at December 31, 1997), due semiannually, by asset of the Company - paid in 1998	$ --	$ 600,000
Note payable to a corporation, due in annual principal installments of $6,000 through April 1999, interest a fixed rate of 6.00%, due annually, secured by real estate property of the Company	6,000	12,000
Total long-term debt	6,000	612,000
Less current installments	6,000	66,000
Long-term debt, excluding current installments	$ --	$ 546,000

The Company has a $300,000 operating line of credit with a financial institution with an interest rate of 8.95%. At September 30, 1998 and December 31, 1997, there was no outstanding balance on the line of credit. The operating line of credit expires on May 1, 1999 and is secured by the assets of the Company.

(5) DEFERRED COMPENSATION

The Company has deferred compensation agreements with certain key employees. The Company has elected to fund the agreements by purchasing life insurance policies for each employee. The cash surrender value of the policies is included in other current assets and the deferred compensation liability is included in other current liabilities in the financial statements.

(6) RELATED PARTY TRANSACTIONS

The Company has entered into lease agreements with a shareholder for the use of certain land and buildings. The leases expire June 30, 1999. The Company incurred $24,320 and $15,300 of lease expense related to this property for each of the nine-month periods ended September 30, 1998 and 1997 and $20,400 for the year ended December 31, 1997.

KAYTON ELECTRIC, INC.

Notes to Financial Statements

September 30, 1998 and 1997 and December 31, 1997
(Data as of and for the nine-months periods ended
September 30, 1998 and 1997 is unaudited)

(7) 401(K) PROFIT SHARING PLAN AND TRUST

The Company has a 401(k) plan covering substantially all employees with one year of service and who have attained twenty-one years of age. Each participant may elect to contribute a percentage of their total compensation, not to exceed the Internal Revenue Service limitations. The Company contributes matching funds at a rate of $.50 for each dollar of the first 3% of the participant's contribution. The employer may also make an additional discretionary matching contribution each year. Company contributions to the plan are shown below:

	SEPTEMBER 30, 1998	SEPTEMBER 30 1997	DECEMBER 31, 1997
Matching contributions	$20,493	$ 23,010	$ 30,027
Discretionary contribution	--	--	8,000
Total employer contributions	$20,493	$ 23,010	$ 38,027

(8) SUBSEQUENT EVENT

On November 19, 1998, all the Company's common stock was sold to an unrelated purchaser, Integrated Electrical Services, Inc. and the Company became a subsidiary of Integrated Electrical Services, Inc.

ITEM 7. EXHIBITS.

(c) Exhibits.

23.1 Consent of KPMG Peat Marwick LLP

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on March 16, 1999.

INTEGRATED ELECTRICAL SERVICES, INC.
By: /s/ J. PAUL WITHROW
J. Paul Withrow
VICE PRESIDENT AND
CHIEF ACCOUNTING OFFICER

EXHIBIT INDEX

Exhibit	Description
23.1	Consent of KPMG Peat Marwick LLP

EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

Board of Directors
Kayton Electric, Inc.

We consent to the incorporation by reference of our report dated January 28, 1998 (November 19, 1998 as to note 8) on the financial statements of Kayton Electric, Inc. included in this Form 8-K/A, into Integrated Electrical Services, Inc.'s previously filed Registration Statements on Form S-8 (File Nos. 333-67113, 333-45447 and 333-45449).

KPMG Peat Marwick LLP

Lincoln, Nebraska
March 17, 1999