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

FORM 8-K/A

AMENDING THE
CURRENT REPORT ON FORM 8-K
FILED AUGUST 18, 1997

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

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): AUGUST 1, 1997

CARRIAGE SERVICES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE
(STATE OF INCORPORATION)

1-11961
(COMMISSION FILE NUMBER)

76-0423828
(I.R.S. EMPLOYER
IDENTIFICATION NO.)

1300 POST OAK BLVD., SUITE 1500, HOUSTON, TX
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

77056
(ZIP CODE)

(281) 556-7400
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

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ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On August 1, 1997, Carriage Services, Inc. (the "Company"), through its wholly owned subsidiary, acquired substantially all the operating assets of McNary-Moore Funeral Service. McNary-Moore Funeral Service operates one funeral home in Colusa, California. This acquisition is referred to as the "Acquired Business." Total consideration for the acquisition consisted of cash of approximately \$700,000 and deferred purchase price of approximately \$150,000. The consideration was determined through negotiations between the Company and representatives of the Acquired Business. In connection with this acquisition, the Company entered into customary employment, consulting and non-compete agreements with certain employees and former owners of the Acquired Business. The acquisition will be accounted for under the purchase method of accounting for financial reporting purposes.

The Company is not aware of any pre-existing material relationships between (i) the Acquired Business or any of its shareholders, on the one hand, and (ii) the Company, any of the Company's affiliates, directors and officers or any associate of such directors and officers, on the other.

The Company also completed the acquisition of several other businesses (the "Other Acquisitions") since January 1, 1997. None of the Other Acquisitions (other than ones previously filed on Form 8-K) is believed to be individually material to the results of operations or financial condition of the Company. However, the acquisition of the Acquired Business requires the filing of financial statements and pro forma financial information pursuant to Rules 3-05(b)(1)(i) and 11-01(c) of Regulation S-X to the extent such businesses would collectively constitute a "significant subsidiary" under such Rules.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

This Form 8-K/A is being filed to include in the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on August 18, 1997 the financial statements and pro forma financial information required by Item 7.

(a) FINANCIAL STATEMENTS OF THE BUSINESS ACQUIRED

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MCNARY-MOORE FUNERAL SERVICE, INC.

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(b) PRO FORMA FINANCIAL INFORMATION

CARRIAGE SERVICES, INC.

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(c) EXHIBITS

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Current Report to be signed on its behalf by the undersigned, thereunto duly authorized.

CARRIAGE SERVICES, INC.

By: /s/THOMAS C. LIVENGOOD
THOMAS C. LIVENGOOD
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER

Dated: October 14, 1997

UNAUDITED PRO FORMA FINANCIAL STATEMENTS

On August 1, 1997, Carriage Services, Inc. (the "Company"), through its wholly owned subsidiary, acquired substantially all the operating assets of McNary-Moore Funeral Service. McNary-Moore Funeral Service operates one funeral home in Colusa, California. This acquisition is referred to as the "Acquired Business." Total consideration for the acquisition consisted of cash of approximately \$700,000 and deferred purchase price of approximately \$150,000. The consideration was determined through negotiations between the Company and representatives of the Acquired Business. In connection with this merger, the Company entered into customary employment, consulting and non-compete agreements with certain employees and former owners of the Acquired Business. The merger will be accounted for under the purchase method of accounting for financial reporting purposes.

The accompanying Unaudited Pro Forma Consolidated Balance Sheet as of June 30, 1997 includes the accounts of the Company and reflects the McNary-Moore acquisition as if such acquisition had occurred on June 30, 1997. The accompanying Unaudited Pro Forma Consolidated Statements of Operations for the six months ended June 30, 1997 and the year ended December 31, 1996 include the accounts of the Company and reflects the McNary-Moore acquisition as if such acquisition had been completed as of the beginning of each of the respective periods. The accompanying Unaudited Pro Forma Consolidated Financial Statements do not include the pro forma results of other businesses acquired by the Company since January 1, 1997.

The accompanying Unaudited Pro Forma Consolidated Financial Statements have been prepared based upon certain assumptions and include adjustments as detailed in the Notes to Unaudited Pro Forma Consolidated Financial Statements. The estimated fair market values reflected in the Unaudited Pro Forma Consolidated Financial Statements are based on preliminary estimates and assumptions and are subject to revision as more information regarding asset and liability valuations becomes available. In management's opinion, the preliminary allocation reflected herein is not expected to be materially different from the final allocation.

The Unaudited Pro Forma Consolidated Statements of Operations do not assume any additional profitability resulting from the application of the Company's revenue enhancement measures or cost reduction programs to the historical results of the Acquired Business, nor do they assume increases in corporate general and administrative expenses which may have resulted from the Company managing the Acquired Business for the periods presented.

The following Unaudited Pro Forma Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements of the Company and the related notes thereto as included in the Company's Form 10-Q as of June 30, 1997 and the Company's Form 10-K as of December 31, 1996. Such pro forma information is based on historical data with respect to the Company and the Acquired Business. The pro forma information is not necessarily indicative of the results that might have occurred had such transactions actually taken place at the beginning of the period specified and is not intended to be a projection of future results. The pro forma information presented herein is provided to comply with the requirements of the Securities and Exchange Commission. The pro forma information does not reflect any adjustments to reflect the manner in which the acquired entity is being or will be operated under the control of the Company.

CARRIAGE SERVICES, INC.
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
JUNE 30, 1997
(IN THOUSANDS)

ASSETS	CARRIAGE SERVICES, INC. -----	ACQUIRED BUSINESS -----	PRO FORMA ADJUSTMENTS(1) -----	TOTAL PRO FORMA -----
CURRENT ASSETS:				
Cash and cash equivalents.....	\$ 1,873	\$ 60	\$ (779)	\$ 1,154
Accounts receivable --				
Trade, net of allowance.....	7,847	18	2	7,867
Other.....	1,394	--	--	1,394
	-----	-----	-----	-----
	9,241	18	2	9,261
Inventories and other current assets.....	4,564	30	(6)	4,588
	-----	-----	-----	-----
Total current assets.....	15,678	108	(783)	15,003
	-----	-----	-----	-----
PROPERTY, PLANT AND EQUIPMENT, at cost (net).....	67,537	39	587	68,163
CEMETERY PROPERTY, at cost.....	22,995	--	--	22,995
NAMES AND REPUTATIONS, net.....	92,636	2	259	92,897
DEFERRED CHARGES AND OTHER NONCURRENT ASSETS.....	13,118	13	34	13,165
	-----	-----	-----	-----
	\$211,964	\$ 162	\$ 97	\$ 212,223
	=====	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Accounts payable and other current liabilities.....	\$ 6,451	\$ 13	\$ 91	\$ 6,555
Current portion of long-term debt and capital leases.....	1,354	--	74	1,428
	-----	-----	-----	-----
Total current liabilities.....	7,805	13	165	7,983
PRENEED LIABILITIES, net.....	7,637	--	--	7,637
LONG-TERM DEBT AND OBLIGATIONS UNDER CAPITAL LEASES, net of current portion.....	80,599	--	81	80,680
DEFERRED INCOME TAXES.....	11,634	--	--	11,634
	-----	-----	-----	-----
Total liabilities.....	107,675	13	246	107,934
	-----	-----	-----	-----
COMMITMENTS AND CONTINGENCIES				
REDEEMABLE PREFERRED STOCK.....	16,286	--	--	16,286
STOCKHOLDERS' EQUITY:				
Class A Common Stock.....	53	--	--	53
Class B Common Stock.....	52	--	--	52
Contributed capital.....	92,128	--	--	92,128
Retained deficit.....	(4,230)	--	--	(4,230)
Acquired Business equity.....	--	149	(149)	--
	-----	-----	-----	-----
Total stockholders' equity.....	88,003	149	(149)	88,003
	-----	-----	-----	-----
	\$211,964	\$ 162	\$ 97	\$ 212,223
	=====	=====	=====	=====

See the accompanying Notes to Unaudited Pro Forma Consolidated Financial
Statements.

CARRIAGE SERVICES, INC.
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE SIX MONTHS ENDED JUNE 30, 1997
 (IN THOUSANDS, EXCEPT PER SHARE DATA)

	CARRIAGE SERVICES, INC. -----	ACQUIRED BUSINESS -----	PRO FORMA ADJUSTMENTS -----	TOTAL PRO FORMA -----
Revenues, net				
Funeral.....	\$ 30,919	\$ 161	\$--	\$31,080
Cemetery.....	6,131	--	--	6,131
	-----	-----	-----	-----
	37,050	161	--	37,211
Costs and expenses				
Funeral.....	22,146	22	3(2)	22,180
			7(3)	
			2(4)	
Cemetery.....	4,758	--	--	4,758
	-----	-----	-----	-----
	26,904	22	12	26,938
	-----	-----	-----	-----
Gross profit.....	10,146	139	(12)	10,273
General and administrative expenses.....	2,187	117	--	2,304
	-----	-----	-----	-----
Operating income.....	7,959	22	(12)	7,969
Interest expense, net.....	2,570	--	4(5)	2,574
	-----	-----	-----	-----
Income before income taxes.....	5,389	22	(16)	5,395
Provision for income taxes.....	2,075	--	2(6)	2,077
	-----	-----	-----	-----
Net income.....	3,314	22	(18)	3,318
Preferred stock dividend requirements.....	210	--	--	210
	-----	-----	-----	-----
Net income attributable to common stockholders.....	\$ 3,104	\$ 22	\$ (18)	\$ 3,108
	=====	=====	=====	=====
Income per share:				
Net income per common and common equivalent share attributable to common stockholders.....	\$.28			\$.28
	=====			=====
Weighted average number of common and common equivalent shares outstanding.....	11,110			11,110
	=====			=====

See the accompanying Notes to Unaudited Pro Forma Consolidated Financial
 Statements.

CARRIAGE SERVICES, INC.
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 1996
 (IN THOUSANDS, EXCEPT PER SHARE DATA)

	CARRIAGE SERVICES, INC. -----	ACQUIRED BUSINESS -----	PRO FORMA ADJUSTMENTS -----	TOTAL PRO FORMA -----
Revenues, net				
Funeral.....	\$ 37,445	\$ 360	\$ --	\$37,805
Cemetery.....	2,903	--	--	2,903
	-----	-----	-----	-----
	40,348	360	--	40,708
Costs and expenses				
Funeral.....	30,641	57	6(2) 14(3) 4(4)	30,722
Cemetery.....	2,541	--	--	2,541
	-----	-----	-----	-----
	33,182	57	24	33,263
	-----	-----	-----	-----
Gross profit.....	7,166	303	(24)	7,445
General and administrative expenses.....	2,474	232	--	2,706
	-----	-----	-----	-----
Operating income.....	4,692	71	(24)	4,739
Interest expense, net.....	4,347	--	8(5)	4,355
	-----	-----	-----	-----
Income before income taxes and extraordinary item.....	345	71	(32)	384
Provision for income taxes.....	138	--	15(6)	153
	-----	-----	-----	-----
Income before extraordinary item.....	207	71	(47)	231
Extraordinary item -- loss on early extinguishment of debt, net of income tax benefit of \$332.....	(498)	--	--	(498)
	-----	-----	-----	-----
Net income (loss).....	(291)	71	(47)	(267)
Preferred stock dividend requirements.....	622	--	--	622
	-----	-----	-----	-----
Net income (loss) attributable to common stockholders.....	\$ (913)	\$ 71	\$ (47)	\$ (889)
	=====	=====	=====	=====
(Loss) per share:				
(Loss) per common and common equivalent share before extraordinary item attributable to common stockholders.....	(.09)			(.08)
Extraordinary item.....	(.10)			(.10)
	-----			-----
Net (loss) per common and common equivalent share attributable to common stockholders.....	(.19)			(.18)
	=====			=====
Weighted average number of common and common equivalent shares outstanding.....	4,869			4,869
	=====			=====

See the accompanying Notes to Unaudited Pro Forma Consolidated Financial Statements.

CARRIAGE SERVICES, INC.
NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET ADJUSTMENTS

The accompanying Unaudited Pro Forma Consolidated Balance Sheet as of June 30, 1997 gives effect to the acquisition of the Acquired Business. The estimated fair market values reflected herein are based on preliminary estimates and assumptions and are subject to revision as more information becomes available. In management's opinion, the preliminary allocation is not expected to be materially different from the final allocation.

(1) To record the elimination of assets and liabilities not acquired or assumed by the Company and record the total consideration (including estimated transaction costs) and the preliminary allocation of total consideration to the identifiable net assets of the acquired business.

The effect of the Acquired Business on the Consolidated Balance Sheet at June 30, 1997 was as follows:

	1997

	(IN THOUSANDS)
Current Assets.....	\$ 48
Property, Plant and Equipment.....	626
Deferred Charges and Other Noncurrent	
Assets.....	46
Names and Reputations.....	257
Current Liabilities.....	(105)

	872
Consideration:	
Debt.....	(153)

Cash used for acquisition.....	\$ 719
	=====

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS ADJUSTMENTS

The accompanying Unaudited Pro Forma Consolidated Statements of Operations for the year ended December 31, 1996 and six months ended June 30, 1997 give effect to the acquisition of the Acquired Business.

(2) To record adjustment to amortization expense relative to the Company's new basis in net assets acquired in conjunction with the acquisition of the Acquired Business as if it had occurred as of the beginning of each of the respective periods presented. The amortization expense of \$3,000 and \$6,000 for the six months ended June 30, 1997 and the year ended December 31, 1996, respectively, is resultant from the amortization, over a 40 year life, of the \$257,000 in names and reputations recorded in conjunction with the acquisition of the Acquired Business.

(3) To record additional depreciation expense of \$7,000 and \$14,000 for the six months ended June 30, 1997 and the year ended December 31, 1996, respectively, relative to the Company's increased basis in property and equipment resultant from the acquisition of the Acquired Business as it had occurred at the beginning of each of the respective periods presented. Pro forma depreciation expense has been recorded based on the Company's estimate of the useful lives of the acquired assets using the Company's depreciation methods.

(4) To record amortization expense relative to non-compete agreements of \$2,000 and \$4,000 for the six months ended June 30, 1997 and the year ended December 31, 1996, respectively. These agreements are amortized over the term of the agreements.

(5) To record additional interest expense of \$4,000 and \$8,000 for the six months ended June 30, 1997 and the year ended December 31, 1996, respectively, which would have been incurred by the

CARRIAGE SERVICES, INC.
NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS --
(CONTINUED)

Company assuming the acquisition of the Acquired Business had occurred as of the beginning of each of the respective periods presented.

(6) To record the income tax expense as if the effective rate is 38.5% for the six months ended June 30, 1997 and 40% for the year ended December 31, 1996. This adjustment reflects income tax expense of \$2,000 and \$15,000 for the six months ended June 30, 1997 and the year ended December 31, 1996, respectively. The Company's management believes that this is the effective rate that would be indicative of the Company's normal tax position assuming the acquisition was made as of the beginning of the respective periods presented.

AUDITOR'S REPORT

Board of Directors and Stockholders
of McNary-Moore Funeral Service, Inc.
Colusa, California

We have audited the accompanying balance sheets of McNary-Moore Funeral Service, Inc. (a California corporation) as of December 31, 1996 and 1995, and the related statements of income and retained earnings and cash flows for the years 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 audit.

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 McNary-Moore Funeral Service, Inc. as of December 31, 1996 and 1995, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

BARTIG, BASLER & RAY, CPAs, INC.

July 3, 1997

MCNARY-MOORE FUNERAL SERVICE, INC.
COMPARATIVE BALANCE SHEETS
DECEMBER 31, 1996 AND 1995

	1996	1995
	-----	-----
ASSETS		
Current Assets		
Cash (Note 2).....	\$ 65,130	\$ 114,380
Accounts receivable -- Net of allowance for bad debts (Note 3).....	42,271	41,689
Inventory (Note 4).....	31,803	29,944
Prepaid expense (Note 5).....	14,431	14,326
	-----	-----
Total Current Assets.....	153,635	200,339
	-----	-----
Fixed Assets		
Property and equipment -- Net of allowance for depreciation (Note 6).....	40,367	41,319
	-----	-----
Other Assets		
Memberships.....	500	500
Goodwill.....	2,000	2,000
	-----	-----
Total Other Assets.....	2,500	2,500
	-----	-----
Total Assets.....	\$ 196,502	\$ 244,158
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable.....	\$ 8,461	\$ 9,642
Taxes payable.....	3,577	5,952
Salaries payable.....	7,668	15,242
Deferred rental income.....	1,140	690
	-----	-----
Total Current Liabilities.....	20,846	31,526
	-----	-----
Stockholders' Equity		
Capital stock, par value \$50, 1,500 shares authorized, 1,200 shares issued and outstanding.....	60,000	60,000
Additional paid-in capital.....	4,068	4,068
Retained earnings.....	111,588	148,564
	-----	-----
Total Stockholders' Equity....	175,656	212,632
	-----	-----
Total Liabilities and Stockholders' Equity....	\$ 196,502	\$ 244,158
	=====	=====

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

MCNARY-MOORE FUNERAL SERVICE, INC.
STATEMENTS OF INCOME AND RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1995

	1996		1995	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Sales, Net of Discounts Allowed.....	\$ 360,387	100.0%	\$ 395,732	100.0%
Cost of Sales.....	57,097	15.8	68,766	17.4
Gross Profit on Sales.....	303,290	84.2	326,966	82.6
Operating Expenses.....	244,037	67.7	246,762	62.3
Net Income from Operations.....	59,253	16.5	80,204	20.3
Other Income.....	11,654	3.2	10,576	2.7
Net Income.....	70,907	19.7%	90,780	22.9%
		=====		=====
Retained Earnings, Beginning of Year.....	148,564		106,941	
Dividends Paid.....	(107,883)		(49,157)	
Retained Earnings, End of Year.....	\$ 111,588		\$ 148,564	
	=====		=====	

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

MCNARY-MOORE FUNERAL SERVICE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1996 AND 1995

	1996	1995
	-----	-----
Cash Flows from Operating Activities		
Net income.....	\$ 70,907	\$ 90,780
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation.....	2,315	2,274
(Increase) decrease in:		
Accounts receivable.....	(582)	(15,477)
Inventory.....	(1,859)	(2,962)
Prepaid expenses.....	(105)	3,248
Increase (decrease) in:		
Accounts payable.....	(1,181)	1,772
Taxes payable.....	(2,375)	1,873
Salaries payable.....	(7,573)	8,525
Deferred rental income.....	450	(225)
	-----	-----
Net Cash Provided by Operating Activities.....	59,997	89,808
	-----	-----
Cash Flows from Investing Activities		
Purchase buildings and improvements.....	(397)	--
Purchase of fixtures, furniture and equipment.....	(967)	(7,983)
	-----	-----
Net Cash Flows from Investing Activities.....	(1,364)	(7,983)
	-----	-----
Cash Flows from Financing Activities		
Dividends paid.....	(107,883)	(49,157)
	-----	-----
Net Increase (Decrease) in Cash.....	(49,250)	32,668
Cash at Beginning of Year.....	114,380	81,712
	-----	-----
Cash at End of Year.....	\$ 65,130	\$ 114,380
	=====	=====
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year		
Interest.....	\$ --	\$ --
Income Taxes.....	--	--

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

MCNARY-MOORE FUNERAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1996 AND 1995

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

The Corporation's financial records are maintained on the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred without regard to when payment is received or paid.

B. INVENTORY

Inventory is stated at cost using the first-in, first-out method of valuation.

C. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful life of the assets.

D. INCOME TAXES/YEAR END

Under the provisions of Subchapter S of the Internal Revenue Code, the Corporation has elected not to be subject to the federal income tax. As a result and by consent of the shareholders to the election, the shareholders are liable for the federal income tax on the income of the Corporation whether distributed or not. Therefore, no provision has been made in the financial statements for federal income tax.

The balance in retained earnings represents undistributed income that has been previously taxed to the shareholders.

E. TRUST FUNDS

The Corporation is liable for performance under prepaid financial arrangements as evidenced by funds on deposit in savings accounts in the names of corporate officers and other trustees for McNary-Moore Funeral Service, Inc. The amounts of \$192,191 and \$131,617 at December 31, 1996 and 1995, respectively, represented savings accounts deposits and offsetting liability accounts to individuals for prepaid funerals. These amounts are considered trust funds and are not reflected in the balance sheets of the Corporation.

NOTE 2: CASH

	1996	1995
	-----	-----
Petty Cash.....	\$ 75	\$ 75
Cash in bank -- Commercial.....	16,678	27,224
Cash in bank -- Savings.....	48,377	87,080
	-----	-----
Total.....	\$ 65,130	\$ 114,379
	=====	=====

MCNARY-MOORE FUNERAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

NOTE 3: ACCOUNTS RECEIVABLE

Accounts receivable on December 31 consisted of the following:

	1996	1995
	-----	-----
Accounts receivable.....	\$ 37,425	\$ 37,434
Accommodation items.....	4,610	3,949
Sundry accounts receivable.....	236	306
	-----	-----
Total.....	42,271	41,689
Less allowance for bad debts.....	--	--
	-----	-----
Total.....	\$ 42,271	\$ 41,689
	=====	=====

NOTE 4: INVENTORY

Inventory on December 31 consisted of the following:

	1996	1995
	-----	-----
Merchandise.....	\$ 30,583	\$ 28,424
Supplies.....	1,220	1,520
	-----	-----
Total.....	\$ 31,803	\$ 29,944
	=====	=====

NOTE 5: PREPAID EXPENSES

Prepaid expenses on December 31 consisted of the following:

	1996	1995
	-----	-----
Insurance.....	\$ 7,604	\$ 7,903
Taxes and licenses.....	3,892	3,871
Other.....	2,935	2,552
	-----	-----
Total.....	\$ 14,431	\$ 14,326
	=====	=====

NOTE 6: PROPERTY AND EQUIPMENT

Property and equipment are summarized by major classifications as follows:

	1996	1995
	-----	-----
Land.....	\$ 24,986	\$ 24,986
Buildings and improvements.....	111,988	111,591
Fixtures, furniture and equipment....	53,900	53,834
Automobiles.....	38,267	38,267
	-----	-----
Total.....	229,141	228,678
Less allowance for depreciation.....	(188,774)	(187,359)
	-----	-----
Total.....	\$ 40,367	\$ 41,319
	=====	=====

MCNARY-MOORE FUNERAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

NOTE 7: PENSION PLAN

The Corporation contributes to SEP/IRA plans for substantially all of its employees. The contributions and costs are determined as 4.5 percent of each covered employee's salary and totaled \$5,633 for the year ended December 31, 1996 and \$5,016 for the year ended December 31, 1995.

NOTE 8: SUBSEQUENT EVENT

Subsequent to year end, an offer was accepted to sell substantially all the assets of the Corporation with the exception of certain parcels of real property. The pending sale and transfer was intended to occur as of July 31, 1997.