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 (date of earliest event reported): **July 28, 2010**

Commission File Number: 1-13011

COMFORT SYSTEMS USA, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	**76-0526487**
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)

675 Bering Drive
Suite 400
Houston, Texas 77057
(Address of Principal Executive offices) (Zip Code)

Registrant's telephone number, including area code: **(713) 830-9600**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Explanatory Note:

As previously reported in a Current Report on Form 8-K filed on July 30, 2010 (the "Initial Form 8-K"), Comfort Systems USA, Inc. (the "Company") entered into a stock purchase agreement (the "Stock Purchase Agreement"), dated July 28, 2010, to purchase all of the issued and outstanding stock of ColonialWebb Contractors Company, a Virginia corporation ("ColonialWebb"). As a result of the acquisition, ColonialWebb is a wholly-owned subsidiary of the Company. This Amendment No. 1 on Form 8-K/A amends and supplements the Initial Form 8-K to include financial statements and pro forma financial information required pursuant to Item 9.01 of Form 8-K.

Item 9.01 Financial Statements and Exhibits

(a) *Financial statements of businesses acquired*

The audited financial statements for ColonialWebb as of December 31, 2008, including the related independent auditors' report, are included as Exhibit 99.2 hereto.

The audited financial statements for ColonialWebb as of December 31, 2009, including the related independent auditors' report, are included as Exhibit 99.3 hereto.

The unaudited financial statements for ColonialWebb as of June 30, 2010 are included as Exhibit 99.4 hereto.

(b) *Pro forma financial information*

The following unaudited pro forma condensed combined balance sheet combines the historical consolidated balance sheet of the Company and the historical balance sheet of ColonialWebb, giving effect to the acquisition as if the acquisition had been consummated on June 30, 2010. The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2009 and the six months ended June 30, 2010 combine the historical consolidated statements of operations of the Company and the historical statements of operations of ColonialWebb, giving effect to the acquisition as if it had occurred on January 1, 2009. The unaudited pro forma adjustments to reflect the purchase price allocation are based upon preliminary information, which may be revised as additional information becomes available.

The notes to the unaudited pro forma condensed combined financial statements provide a more detailed discussion of how such adjustments were derived and presented in the pro forma financial statements. The accompanying unaudited pro forma condensed combined financial statements have been compiled from historical financial statements and other information as described herein, but do not purport to represent what the Company's financial position or results of operations actually would have been had the transactions occurred on the dates indicated herein, or project the Company's performance for any future periods. Historically, the construction industry has been highly cyclical and, specifically, the HVAC industry is subject to seasonal variations.

The pro forma financial information should be read in conjunction with the Company's historical financial statements included in its Form 10-K for the year ended December 31, 2009 and Form 10-Q for the period ended June 30, 2010.

Comfort Systems USA, Inc.
Pro Forma Condensed Combined Balance Sheet
As of June 30, 2010
(in thousands)
(Unaudited)

	Historical	ColonialWebb	Pro Forma Adjustments	Notes	Pro Forma Combined
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	$ 107,602	$ 28,560	$ (57,072)	(A)	$ 57,329
			(21,761)	(A)	
Accounts receivable, net	208,183	34,287	—		242,470
Other receivables	4,325	638	—		4,963
Income tax receivable	17,451	—	—		17,451
Inventories	9,290	625	—		9,915
Prepaid expenses and other	23,960	338	2,891	(D)	27,189
Costs and estimated earnings in excess of billings	22,098	5,858	—		27,956
Total current assets	392,909	70,306	(75,942)		387,273
PROPERTY AND EQUIPMENT, net	31,897	10,039	3,108	(C)	45,044
GOODWILL	98,759	—	49,654	(C)	148,413
IDENTIFIABLE INTANGIBLE ASSETS, net	18,412	—	28,100	(C)	46,512
MARKETABLE SECURITIES	3,777	—	—		3,777
OTHER NONCURRENT ASSETS	2,733	20	—		2,753
Total assets	$ 548,487	$ 80,365	$ 4,920		$ 633,772
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Current maturities of long-term debt	$ —	$ 2,922	$ —		$ 2,922
Current maturities of notes to former owners	2,316	—	—		2,316
Accounts payable	78,038	10,923	—		88,961
Accrued compensation and benefits	30,844	7,744	—		38,588
Billings in excess of costs and estimated earnings	60,033	11,424	—		71,457
Accrued self insurance expense	27,081	2,012	300	(C)	29,393
Other current liabilities	31,124	817	245	(C)	32,186
Total current liabilities	229,436	35,842	545		265,823
LONG-TERM DEBT, NET OF CURRENT MATURITIES	—	4,826	—		4,826
NOTES TO FORMER OWNERS, NET OF CURRENT MATURITIES	4,375	—	24,200	(B)	28,575
DEFERRED INCOME TAX LIABILITIES	6,348	—	12,680	(D)	19,028
OTHER LONG-TERM LIABILITIES	3,801	2,076	6,660	(B)	10,993
			(1,544)	(E)	
Total liabilities	243,960	42,744	42,541		329,245
COMMITMENTS AND CONTINGENCIES					
STOCKHOLDERS' EQUITY	304,527	37,621	(37,621)	(F)	304,527
Total liabilities and stockholders' equity	$ 548,487	$ 80,365	$ 4,920		$ 633,772

The accompanying notes are an integral part of this financial statement.

Comfort Systems USA, Inc.
Pro Forma Condensed Combined Statement of Operations
Six Months Ended June 30, 2010

(in thousands, except per share amounts)
(Unaudited)

	Historical	ColonialWebb	Pro Forma Adjustments	Notes	Pro Forma Combined
REVENUES	$ 486,063	$ 92,314	$ —		$ 578,377
COST OF SERVICES	404,590	67,331	193	(G)	472,167
			53	(J)	
Gross profit	81,473	24,983	(246)		106,210
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	73,020	17,615	1,556	(G)	92,416
			197	(E)	
			28	(J)	
GOODWILL IMPAIRMENT	4,446	—	—		4,446
LOSS (GAIN) ON SALE OF ASSETS	(473)	(52)	—		(525)
Operating income	4,480	7,420	(2,027)		9,873
OTHER INCOME (EXPENSE):					
Interest income	144	167	(72)	(H)	239
Interest expense	(574)	(181)	(393)	(I)	(1,148)
Other	6	9	—		15
Other income (expense)	(424)	(5)	(465)		(894)
INCOME BEFORE INCOME TAXES	4,056	7,415	(2,492)		8,979
INCOME TAX EXPENSE	1,245	—	1,859	(D)	3,104
INCOME FROM CONTINUING OPERATIONS	$ 2,811	$ 7,415	$ (4,351)		$ 5,875
INCOME PER SHARE:					
Basic	$ 0.08				$ 0.16
Diluted	$ 0.07				$ 0.16
SHARES USED IN COMPUTING INCOME PER SHARE:					
Basic	37,566				37,566
Diluted	37,834				37,834

The accompanying notes are an integral part of this financial statement.

Comfort Systems USA, Inc.
Pro Forma Condensed Combined Statement of Operations
Year Ended December 31, 2009
(in thousands, except per share amounts)
(Unaudited)

	Historical	ColonialWebb	Pro Forma Adjustments	Notes	Pro Forma Combined
REVENUES	$ 1,128,907	$ 218,700	$ —		$ 1,347,607
COST OF SERVICES	903,357	156,586	387	(G)	1,060,436
			106	(J)	
Gross profit	225,550	62,114	(493)		287,171
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	169,023	39,052	3,601	(G)	210,804
			(928)	(E)	
			56	(J)	
GOODWILL IMPAIRMENT	—	—	—		—
GAIN ON SALE OF ASSETS	(106)	(49)	—		(155)
Operating income	56,633	23,111	(3,222)		76,522
OTHER INCOME (EXPENSE):					
Interest income	585	365	(293)	(H)	657
Interest expense	(1,202)	(528)	(786)	(I)	(2,516)
Other	17	21	—		38
Other income (expense)	(600)	(142)	(1,079)		(1,821)
INCOME BEFORE INCOME TAXES	56,033	22,969	(4,301)		74,701
INCOME TAX EXPENSE	21,437	—	7,099	(D)	28,536
INCOME FROM CONTINUING OPERATIONS	$ 34,596	$ 22,969	$ (11,400)		$ 46,165
INCOME PER SHARE:					
Basic	$ 0.91				$ 1.21
Diluted	$ 0.90				$ 1.20

SHARES USED IN COMPUTING INCOME PER SHARE:		
Basic	38,046	38,046
Diluted	38,451	38,451

The accompanying notes are an integral part of this financial statement.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

1. Purchase Price Allocation

The allocation of the purchase price to the assets acquired and liabilities assumed is preliminary and, therefore, subject to change. The allocation of the purchase price was prepared based on the information available as of the acquisition date and, therefore, may be materially impacted by certain adjustments on the finalization of the fair value assessments of ColonialWebb's assets and liabilities.

The following is the unaudited pro forma purchase price and the unaudited pro forma purchase price allocation based on ColonialWebb's unaudited June 30, 2010 balance sheet (in thousands):

Cash paid from available funds	$	57,072
Cash paid for excess working capital		21,761
Notes issued to former owners		24,200
Estimated fair value of contingent earn-out payments		6,660
Total consideration and costs	$	109,693
Pro forma purchase price allocation:		
Fair value of net assets acquired	$	41,728
Effect of transaction on deferred income taxes		(9,789)
Estimated identifiable intangible assets		28,100
Goodwill		49,654
Total consideration and costs	$	109,693

2. Pro Forma Adjustments

The accompanying pro forma condensed combined financial statements give effect to the following pro forma adjustments necessary to reflect the acquisition outlined in the preceding introduction as if the transaction occurred on January 1, 2009 in the pro forma condensed combined statement of operations and on June 30, 2010 in the pro forma condensed combined balance sheet:

(A) Purchase price paid from cash, including the cash paid for excess working capital as of June 30, 2010.

(B) Additional consideration payable in the form of notes issued to the former owners and contingent earn-out payments associated with the achievement of specified milestones. Contingent earn-out payments are recorded at their estimated fair value determined based on a probability-weighted income approach. This fair value measurement is based on significant unobservable inputs in the market and thus represents a Level 3 measurement within the fair value hierarchy. Future changes in the estimated fair value of the contingent payments will be recognized immediately in earnings.

(C) Fair value adjustments to assets and liabilities acquired, which includes $3.1 million to property and equipment, $49.7 million to goodwill, $28.1 million to intangible assets (see note 3), $0.3 million to accrued self insurance expense, and $0.2 million to other current liabilities.

(D) Adjustments to reflect the addition of deferred income taxes related to acquired assets and liabilities and the conversion of ColonialWebb from an S-Corp to a C-Corp.

(E) Adjustment to conform the accounting for deferred compensation with the Company's accounting policy.

(F) Elimination of ColonialWebb's pre-existing stockholders' equity balances due to change in ownership.

(G) Amortization of preliminary fair value amounts allocated to definite-lived intangible assets over the preliminary estimated useful lives. (See note 3 for further details.)

(H) Elimination of the Company's interest income associated with the utilization of cash for the transaction.

(I) Interest expense incurred on the notes to former owners.

(J) Depreciation expense incurred on the step-up of the property and equipment to fair value.

3. Identifiable Intangible Assets

The preliminary components of identifiable intangible assets resulting from the acquisition and their related amortizable lives are as follows (dollars in thousands):

	Estimated Amortization Life	Estimated Value
Backlog	18 months	$ 580
Customer relationships	15 years	15,700
Non-compete agreements	1-5 years	1,720
Trade names	25 years	10,100
Total		$ 28,100

These components are subject to change based upon the results of a third party valuation of the identifiable intangible assets. The estimated value of the backlog, trade names, and non-compete agreements are being amortized using the straight line method of accounting over their estimated amortization lives. The estimated value of the customer relationships is being amortized using the expected future cash flows that reflect the expected economic benefit.

(d) *Exhibits*

The following exhibits are included herein:

10.1 Stock Purchase Agreement, dated July 28, 2010 (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on July 30, 2010).

23.1 Consent of Keiter, Stephens, Hurst, Gary & Shreaves, P.C.

99.1 Press release dated July 28, 2010 (i) announcing the Company's acquisition of ColonialWebb and (ii) discussing the Company's second quarter earnings (incorporated by reference to Exhibit 99.1 of the Company's Current Report on Form 8-K filed on July 30, 2010).

99.2 The audited financial statements for ColonialWebb as of December 31, 2008, including the related independent auditors' report.

99.3 The audited financial statements for ColonialWebb as of December 31, 2009, including the related independent auditors' report.

99.4 The unaudited financial statements for ColonialWebb as of June 30, 2010.

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 hereunto duly authorized.

COMFORT SYSTEMS USA, INC.

By: /s/ William George

William George
Executive Vice President and
Chief Financial Officer

Date: October 6, 2010

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Comfort Systems USA, Inc.

We hereby consent to the incorporation by reference in this Current Report on Form 8-K/A of Comfort Systems USA, Inc. of our reports dated March 8, 2010 and March 17, 2009 relating to the financial statements of ColonialWebb Contractors Company as of December 31, 2009 and 2008, respectively.

/s/ Keiter, Stephens, Hurst, Gary & Shreaves, PC
October 4, 2010
Glen Allen, Virginia

Exhibit 99.2

COLONIALWEBB

CONTRACTORS®

Financial Statements

December 31, 2008

COLONIALWEBB CONTRACTORS COMPANY

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders
ColonialWebb Contractors Company
2820 Ackley Avenue
Richmond, VA 23228

We have audited the accompanying balance sheet of ColonialWebb Contractors Company (the "Company") as of December 31, 2008, and the related statements of income, stockholders' equity, 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 audit.

We conducted our audit 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 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 ColonialWebb Contractors Company as of December 31, 2008, and the results of its operations and its cash flows for the year then ended in conformity with

March 17, 2009

COLONIALWEBB CONTRACTORS COMPANY

Balance Sheet
December 31, 2008

Assets		
Current assets:		
Cash and cash equivalents	$	22,947,676
Accounts receivable - net		40,398,316
Costs and estimated earnings in excess of billings		4,912,752
Prepaid expenses and other current assets		493,538

Inventory	709,750
Service work in progress	702,803
Total current assets	70,164,835
Property and equipment - net	11,764,133
Total assets	$ 81,928,968

Liabilities and Stockholders' Equity

Current liabilities:	
Accounts payable	$ 13,297,318
Accrued liabilities	3,797,141
Accrued compensation	10,072,783
Billings in excess of costs and estimated earnings	18,860,703
Current portion of long-term debt	2,448,422
Total current liabilities	48,476,367
Long-term liabilities:	
Deferred incentives	938,218
Long-term debt - less current portion	5,993,793
Total long-term liabilities	6,932,011
Total liabilities	55,408,378
Stockholders' equity	26,520,590
	$ 81,928,968

See accompanying notes to financial statements.

COLONIALWEBB CONTRACTORS COMPANY

Statement of Income
For the Year Ended December 31, 2008

Revenue	$ 207,144,979
Cost of Revenue	146,745,540
Gross profit	60,399,439
Operating expenses	43,078,977
Income from operations	17,320,462
Other income (expense):	
Interest income	298,991
Other income:	19,900
Interest expense	(539,970)
Loss on disposal	(12,492)
Total other expense	(233,571)
Net income	$ 17,086,891

See accompanying notes to financial statements.

COLONIALWEBB CONTRACTORS COMPANY

Statement of Stockholders' Equity
For the Year Ended December 31, 2008

Accumulated

	Common Stock	Additional Paid-In Capital	Retained Earnings	Other Comprehensive Loss	Total Stockholders' Equity
Balance, December 31, 2007	$ 81,132	$ 16,026,988	$ 8,043,309	$ (29,148)	$ 24,122,281
Net income	—	—	17,086,891	—	17,086,891
Dividends paid	—	—	(14,629,530)	—	(14,629,530)
Other comprehensive loss:					
Change in unrealized loss on interest rate swap	—	—	—	(59,052)	(59,052)
Balance, December 31, 2008	$ 81,132	$ 16,026,988	$ 10,500,670	$ (88,200)	$ 26,520,590

See accompanying notes to financial statements.

COLONIALWEBB CONTRACTORS COMPANY

Statement of Cash Flows
For the Year Ended December 31, 2008

Cash flows from operating activities:	
Net income	$ 17,086,891
Adjustments to reconcile net income to net cash from operating activities:	
Depreciation and amortization	3,414,358
Gain on sale of equipment	(37,564)
Changes in operating assets and liabilities:	
Accounts receivable	4,950,929
Costs and estimated earnings in excess of billings	1,501,017
Prepaid expenses and other current assets	48,598
Inventory	153,040
Service work in progress	(61,008)
Accounts payable	(1,539,513)
Accrued liabilities	(108,414)
Accrued compensation	2,056,080
Billings in excess of costs and estimated earnings	(559,117)
Deferred incentives	646,182
Net cash provided by operating activities	27,551,479
Cash flows from investing activities:	
Purchases of property and equipment	(3,564,520)
Proceeds from sale of property and equipment	268,287
Net cash used by investing activities	(3,296,233)
Cash flows from financing activities:	
Payments on debt	(2,974,415)
Proceeds from borrowings of long-term debt	2,357,000
Dividends paid	(14,629,530)
Net cash used by financing activities	(15,246,945)
Net increase in cash	9,008,301
Cash and cash equivalents, beginning of year	13,939,375
Cash and cash equivalents, end of year	$ 22,947,676
Supplemental disclosure of cash flow information:	
Cash paid for interest	$ 494,199
Non-cash transaction:	
Unrealized loss on interest rate swap	$ (59,052)

See accompanying notes to financial statements.

1. **Summary of Significant Accounting Policies:**

Nature of Business: ColonialWebb Contractors Company (the "Company"), was incorporated in the Commonwealth of Virginia in 1972. The Company operates as a comprehensive, single-source construction, service, manufacturing and refrigeration service firm servicing the Mid-Atlantic region. Headquartered in Richmond, VA with seven other locations, the Company has approximately 1,200 employees and a fleet of over 500 service vehicles.

Revenue and Cost Recognition: Revenues from fixed-price construction contracts are recognized on the percentage of completion method, measured by total cost incurred to total estimated cost. Revenues from cost-plus-fee contracts are recognized on the basis of costs incurred during the period plus the fee earned, measured by the cost-to-cost method.

Contracts to service heating, ventilation and air conditioning (HVAC) systems and for building maintenance are generally for a period of one year and are recognized only to the extent earned. The revenue earned in a period is the ratable portion of the contract period and is included as a component of accrued liabilities on the balance sheet.

Contract costs include all direct material, labor, subcontract, and other direct costs and those indirect costs related to contract performance such as insurance, payroll taxes, and employee benefits. Operating costs are charged to expense as incurred. Provision for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability are recognized in the period in which the revisions are determined.

The asset, "Costs and estimated earnings in excess of billings" represents revenues recognized in excess of amounts billed. The liability, "Billings in excess of costs and estimated earnings," represents billings in excess of revenues recognized.

Assets and liabilities related to long-term construction contracts are included in current assets and current liabilities in the accompanying balance sheets, as they will be liquidated in the normal course of contract completion, although this may require more than one year.

Cash and Cash Equivalents: The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Allowance for Bad Debts: The Company uses the reserve method of accounting for bad debts. The allowance for doubtful accounts at December 31, 2008 was $1,348,864.

Inventory: Inventory is stated at the lower of cost or market, with cost being determined on a first-in, first out (FIFO) basis. Inventories principally consist of contract related materials, service parts, and supplies. The Company evaluates inventory levels and expected usage on a periodic basis and records valuation allowances as required.

1. **Summary of Significant Accounting Policies, Continued:**

Property and Equipment: Property and equipment is stated at cost. The costs of major improvements are capitalized, while the costs of maintenance and repairs that do not extend the original estimated economic life are charged to expense as incurred. Depreciation and amortization are provided on the straight-line method over the estimated useful lives of the assets:

Buildings	39 years
Contracting equipment and vehicles	5 - 7 years
Office furniture and computer equipment	3 - 5 years
Leasehold improvements	Term of lease

Income Taxes: The Company has elected to have its income taxed under Section 1362 (Subchapter S Corporations) of the Internal Revenue Code, which provides that, in lieu of corporate income taxes, the stockholders are taxed on the Company's taxable income. Similar provisions apply for state income tax reporting. Accordingly, no provision or liability for income taxes is provided in the accompanying financial statements.

Credit Risk: Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash, accounts receivable and costs and estimated earnings in excess of billings on uncompleted contracts.

The Company maintains its cash balances in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. The Company regularly has funds in excess of $250,000 in the financial institution.

Accounts receivable and costs and estimated earnings in excess of billings on uncompleted contracts result from contracts with customers principally in the Mid-Atlantic States. The Company does not normally require collateral or perfect its lien rights with respect to contract amounts or retainage held. Credit is extended to customers after an evaluation for credit worthiness.

For the year ended December 31, 2008, work performed for two customers, either directly or through another contractor, represented approximately 22% of total revenues. One customer represented approximately 18% of accounts receivable.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1. Summary of Significant Accounting Policies, Continued:

Self-Insured Claims: The Company insures its automobile, general liability, and workers' compensation, claim exposures with a large deductible insurance program; and provides a self-funded group health insurance for its employees, as described in notes 11 and 12. The total expense under these and other insurance programs was approximately $5,500,000 in 2008.

The accrued estimated liability for self-insured claims is revised for changes in the underlying assumptions.

Warranty: The Company generally warrants labor for varying periods ranging from one year to eighteen months after installation of new HVAC systems. The Company generally warrants labor for up to three months after the servicing of existing HVAC systems. The Company also warrants other services offered. A provision for the estimated warranty cost is made at the time a new system is sold and is accounted for as a component of the cost of the job. The individual jobs are not considered 100% complete until the expiration of the negotiated warranty period. Any warranty offered that relates to service work is expensed in the period incurred.

Advertising Costs: Advertising costs are expensed as incurred and are included in operating expenses in the accompanying statement of income. Advertising costs were $154,479 for the year ended December 31, 2008.

Derivative Financial Instrument Policy — Interest Rate Swap: The Company uses derivatives to manage risks related to interest rate movements. Interest rate swap contracts designated to qualify as cash flow hedges are reported at fair value. The gain or loss on the effective portion of the hedge initially is included as a component of other comprehensive income and is subsequently reclassified into retained earnings when interest on the related debt is paid. The Company documents its risk management strategy and hedge effectiveness at the inception of and during the term of each hedge. The Company's interest rate risk management strategy is to stabilize cash flow requirements by maintaining interest rate swap contracts to convert variable-rate debt to a fixed rate.

Comprehensive income includes net income and other changes in assets and liabilities not reported in net income, but are instead reported as a separate component of stockholders' equity. The Company's interest rate swap loss of ($59,052) is a component of comprehensive income, which was $17,027,839 in 2008.

2. Accounts Receivable:

Accounts receivable consisted of the following:

Contracts completed or in progress	$	36,608,089
Retainage		5,139,091
		41,747,180
Allowance for doubtful accounts		(1,348,864)
	$	40,398,316

3. Costs and Estimated Earnings on Uncompleted Contracts:

Costs and estimated earnings on uncompleted contracts consisted of the following:

Cost incurred on uncompleted contracts	$	288,022,955
Estimated earnings		53,615,007
		341,637,962
Less billings to date		(355,585,913)
	$	(13,947,951)

Included in the accompanying balance sheet under the following captions:

Costs and estimated earnings in excess of billings	$	4,912,752
Billings in excess of costs and estimated earnings		(18,860,703)

	$	(13,947,951)

4. Property and Equipment:

Property and Equipment consist of the following at December 31:

Land	$	886,668
Buildings		4,598,172
Contracting equipment and vehicles		12,243,871
Office furniture and computer equipment		5,297,051
Leasehold improvements		463,758
		23,489,520
Less - accumulated depreciation		(11,725,387)
	$	11,764,133

5. Related Party:

The Company has entered into a two non-cancelable operating lease for office space from a limited liability company affiliated through common ownership. The rent expense for both leases was $263,653 for 2008.

6. Retirement Plan:

The Company has an employee savings/retirement plan under Section 401(k) of the Internal Revenue Code. The plan is a salary reduction plan and allows participants to electively defer a percentage of their annual salary. The Company's contributions are discretionary and can be matching and/or profit sharing. Employees must also have completed at least one year of service for the Company. The Company accrued contributions of approximately $236,100 for the year ended December 31, 2008.

The Company sponsors a nonqualified, deferred compensation plan for a select group for key employees. The deferred compensation plan has been organized in accordance with §409(a) of the Internal Revenue Code. Under this plan, the annual Company contribution shall remain Company property until it is paid to the participant and shall be held with other Company assets. The deferred compensation plan liability was $938,218 at December 31, 2008.

7. Line of Credit:

The Company has a $14,000,000 credit facility which bears interest at LIBOR Market Index Rate plus 1.5% (3.4% at December 31, 2008) for any outstanding indebtedness and is due on demand. At December 31, 2008, there were no amounts outstanding for operating debt. The credit facility is subject to a quarterly .15% unused commitment fee. Fees for letters of credit are determined at the time of issuance. The facility is collateralized by a first lien on accounts receivable subject to priority interest of applicable bonding companies on receivables related to bonded projects, and is guaranteed by the stockholders.

8. Notes Payable:

On August 1, 2000, the Company entered into a loan agreement with the Economic Development Authority of Henrico County, Virginia related to Tax-Exempt Adjustable Mode Industrial Development Revenue bonds (IDA bonds) in the aggregate principal amount of $5,300,000. Proceeds from these bonds were used in connection with the acquisition of land and construction of an office complex and warehouse in Richmond, Virginia. The IDA bonds bear interest based on a tax-exempt variable rate (3.58% at December 31, 2008). Principal and interest installments are due quarterly and the bonds mature in August 2020. This loan agreement was updated with an Amended and Restated Reimbursement and Security Agreement dated May 1, 2003. The outstanding balance at December 31, 2008 was $3,400,000.

The IDA bonds are collateralized by an irrevocable letter of credit issued by Wachovia Bank as of May 1, 2003. The letter of credit will terminate on the expiration date of the related loan agreement or as defined in the agreement. The land, office complex and warehouse have also been pledged as collateral for amounts outstanding related to the IDA bonds.

Under the terms of the loan agreement and letter of credit, the Company is subject to various affirmative and negative covenants including the maintenance of certain financial ratios. At December 31, 2008, management believes the Company was in compliance with these covenants.

The Company has promissory notes totaling $5,042,215 at December 31, 2008, bearing interest at rates of the 1-month London Interbank Offered Rate (LIBOR) plus 2.0% (2.43% at December 31, 2008) and LIBOR Market Index Rate plus 2.5% (4.4% at December 31, 2008) payable in monthly principal and interest installments ranging from $7,134 to $48,826 per month. The notes are collateralized by equipment and vehicles.

8. Notes Payable, Continued:

Estimated principal repayments on long-term debt for future years ending December 31 are as follows:

2009	$	2,448,422
2010		1,818,239
2011		1,176,991
2012		398,563
2013		200,000
Thereafter		2,400,000
	$	8,442,215

Interest Rate Swap: To minimize the effects of interest rate changes, the Company entered into an interest rate swap contract related to its Richmond office and warehouse complex under which it pays interest at a fixed rate of 2.91% and receives interest at 67% of LIBOR. The $59,052 loss from change in the swap contracts' fair value during 2008 is included in other comprehensive loss and will be reclassified into net income as a component of interest expense when interest is paid. The derivatives contract value is a liability of $88,200 at December 31, 2008, and is included in accrued liabilities on the balance sheet.

9. Common Stock:

Common stock consists of 150,000 authorized shares with a par value of $1 of which 81,132 shares are outstanding.

10. Lease Commitments:

The company leases office space, vehicles and equipment under various noncancelable operating lease agreements which expire through 2016. The total rent expense for 2008 was $645,498.

Future commitments under noncancelable operating leases at December 31 are as follows:

2009	$	717,905
2010		618,627
2011		636,628
2012		359,223
2013		224,416
Thereafter		214,927
	$	2,771,726

11. Commercial Insurance Claim Liability:

The Company insures automobile, general liability and workers' compensation claim exposures with a large deductible insurance program. Operations are charged with the cost of claims reported and an estimate of claims incurred but not reported. A liability for unpaid claims and the associated claim expenses, including incurred but not reported losses, is determined and reflected in the balance sheet as an accrued liability. The claim liability represents a provision for expected losses of $1,946,700 at December 31, 2008. The determination of such claims and expenses and the appropriateness of the related liability is continually reviewed and updated.

12. Health Insurance Claim Liability:

The Company provides a self-funded group health plan for its employees. The Company has purchased stop-loss insurance in order to limit its exposure. The Company has no responsibility for individual claims in excess of $100,000 for the plan year or aggregate claims exceeding 125% of the expected claims for the entire plan year. Incurred but not reported claims are accrued based on the Company's estimates of the aggregate liability for incurred claims using certain actuarial assumptions followed in the insurance industry. At December 31, 2008, the accrued liability for incurred but not reported claims is included in accrued expenses and approximates $1,530,000.

13. Guarantees:

As permitted or required under Virginia corporation law, the Company has certain obligations to indemnify its current officers and directors for certain events or occurrences while the officer or director is, or was serving, at the Company's request in such capacities. The maximum liability under these obligations in unlimited; however, the Company's insurance policies serve to limit its exposure.

14. Backlog (Unaudited):

Backlog represents the amount of revenue the Company expects to realize from uncompleted contracts in progress at year-end and from contractual agreements on which work has not yet begun.

The estimated gross revenue on work to be performed on signed contracts was approximately $165,000,000 at December 31, 2008.

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15. Recent Accounting Pronouncements:

In June 2006, the Financial Accounting Standards Board issued FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes ("FIN 48"), an interpretation of FASB Statement No. 109 ("SFAS 109").This interpretation clarifies the accounting for uncertainty in income taxes and details how companies should recognize, measure, present and disclose uncertain tax positions that have been or are expected to be taken. As such, financial statements will reflect or disclose expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the position and all relevant facts. The Company has elected to defer the adoption of FIN 48 until its fiscal year ending December 31,2009, pending additional clarification of FIN 48's applicability to pass-through entities such as the Company. In instances where the Company has taken or expects to take a tax position in its tax returns and the Company believes that it is more likely than not that such tax position will be upheld by the relevant tax authorities, the Company has not disclosed such tax position in the financial statements. Management has evaluated the impact of FIN 48 and does not expect it to have a material impact on the Company's financial condition, results of operations or income tax disclosure practices.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements." SFAS No. 157 defines fair value, establishes a framework for measuring fair value, and expands disclosure of fair value measurements. The Company adopted for 2008 certain provisions of SFAS 157 related to financial assets and liabilities and any other assets and liabilities that are carried at fair value on a recurring basis in the financial statements. The provisions of SFAS No. 157 related to nonrecurring fair value measurements of nonfinancial assets and nonfinancial liabilities, has been deferred to 2009. SFAS 157 provides a framework for measuring fair value under Generally Accepted Accounting Principles (GAAP) and defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 157 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. SFAS 157 also establishes a fair value hierarchy which prioritizes the valuation inputs into three broad levels. Based on the underlying inputs, each fair value measurement in its entirety is reported in one of three levels:

Level 1 — Unadjusted quoted prices that are available in active markets for the identical assets or liabilities at the measurement date.

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15. Recent Accounting Pronouncements, Continued:

Level 2 — Other observable inputs available at the measurement date, other than quoted prices included in Level 1, either directly or indirectly, including:

Quoted prices for similar assets or liabilities in active markets;
Quoted prices for identical or similar assets in non-active markets;
Inputs other than quoted prices that are observable for the asset or liability; and
Inputs that are derived principally from or corroborated by other observable market data.

Level 3 — Unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions.

Assets and liabilities measured at fair value on a recurring basis at December 31, 2008, include the following:

	December 31, 2008			
	Fair Value Using			Assets/Liabilities at fair value
	Level 1	Level 2	Level 3	
Assets				
Cash equivalents	$ 13,000,000	$ —	$ —	$ 13,000,000

Total assets	$ 13,000,000	$ —	$ —	$ 13,000,000

Exhibit 99.3

Financial Statements

December 31, 2009

COLONIALWEBB CONTRACTORS COMPANY

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders
ColonialWebb Contractors Company
2820 Ackley Avenue
Richmond, VA 23228

We have audited the accompanying balance sheet of ColonialWebb Contractors Company (the "Company") as of December 31, 2009, and the related statements of income, stockholders' equity, 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 audit.

We conducted our audit 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 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 ColonialWebb Contractors Company as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

March 8, 2010
Glen Allen, Virginia

COLONIALWEBB CONTRACTORS COMPANY

Balance Sheet
December 31, 2009

Assets	
Current assets:	

Cash and cash equivalents	$	28,446,926
Accounts receivable - net		34,577,807
Costs and estimated earnings in excess of billings		4,863,596
Prepaid expenses and other current assets		1,016,854
Inventory		757,559
Service work in progress		387,124
Total current assets		70,049,866
Property and equipment - net		10,325,059
Total assets	$	80,374,925
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	$	2,692,023
Accounts payable		10,412,481
Accrued liabilities		4,512,438
Accrued compensation		8,557,276
Billings in excess of costs and estimated earnings		12,887,604
Total current liabilities		39,061,822
Long-term liabilities:		
Deferred compensation		2,076,398
Long-term debt - less current portion		5,370,229
Total long-term liabilities		7,446,627
Total liabilities		46,508,449
Stockholders' equity		33,866,476
	$	80,374,925

See accompanying notes to financial statements.

COLONIALWEBB CONTRACTORS COMPANY

Statement of Income
For the Year Ended December 31, 2009

Revenue	$	218,699,527
Cost of Revenue		156,586,285
Gross profit		62,113,242
Operating expenses		39,051,678
Income from operations		23,061,564
Other income (expense):		
Interest income		364,585
Other income		21,405
Interest expense		(527,851)
Gain on disposal		48,971
Total other expense		(92,890)
Net income	$	22,968,674

See accompanying notes to financial statements.

COLONIALWEBB CONTRACTORS COMPANY

Statement of Stockholders' Equity
For the Year Ended December 31, 2009

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance, December 31, 2008	$ 115,903	$ 15,992,217	$ 10,500,670	$ (88,200)	$ 26,520,590
Net income	—	—	22,968,674	—	22,968,674
Dividends paid	—	—	(15,696,027)	—	(15,696,027)
Other comprehensive loss:					
Change in unrealized loss on interest rate swap	—	—	—	73,239	73,239
Balance, December 31, 2009	$ 115,903	$ 15,992,217	$ 17,773,317	$ (14,961)	$ 33,866,476

See accompanying notes to financial statements.

COLONIALWEBB CONTRACTORS COMPANY

Statement of Cash Flows
For the Year Ended December 31, 2009

Cash flows from operating activities:	
Net income	$ 22,968,674
Adjustments to reconcile net income to net cash from operating activities:	
Depreciation and amortization	3,176,795
Gain on sale of equipment	(48,971)
Changes in operating assets and liabilities:	
Accounts receivable - net	5,820,509
Costs and estimated earnings in excess of billings	49,156
Prepaid expenses and other current assets	(523,316)
Inventory	(47,809)
Service work in progress	315,679
Accounts payable	(2,884,837)
Accrued liabilities	788,536
Accrued compensation	(1,515,507)
Billings in excess of costs and estimated earnings	(5,973,099)
Net cash provided by operating activities	22,125,810
Cash flows from investing activities:	
Purchases of property and equipment	(1,887,919)
Proceeds from sale of property and equipment	199,169
Net cash used by investing activities	(1,688,750)
Cash flows from financing activities:	
Deferred compensation	1,138,180
Payments on debt	(7,086,131)
Proceeds from borrowings of long-term debt	6,706,168
Dividends paid	(15,696,027)
Net cash used by financing activities	(14,937,810)
Net increase in cash	5,499,250
Cash and cash equivalents, beginning of year	22,947,676
Cash and cash equivalents, end of year	$ 28,446,926
Supplemental disclosure of cash flow information:	
Cash paid for interest	$ 468,022
Non-cash transaction:	
Unrealized loss on interest rate swap	$ 73,239

See accompanying notes to financial statements.

COLONIALWEBB CONTRACTORS COMPANY

Notes to Financial Statements

1. Summary of Significant Accounting Policies:

Nature of Business: ColonialWebb Contractors Company (the "Company"), was incorporated in the Commonwealth of Virginia in 1972. The Company operates as a comprehensive, single-source construction, service, manufacturing and refrigeration service firm servicing the Mid-Atlantic region. Headquartered in Richmond, Virginia with seven other locations, the Company has approximately 1,200 employees and a fleet of over 500 service vehicles.

Revenue and Cost Recognition: Revenues from fixed-price construction contracts are recognized on the percentage of completion method, measured by total cost incurred to total estimated cost. Revenues from cost-plus-fee contracts are recognized on the basis of costs incurred during the period plus the fee earned, measured by the cost-to-cost method.

Contracts to service heating, ventilation and air conditioning (HVAC) systems and for building maintenance are generally for a period of one year and are recognized only to the extent earned. The revenue earned in a period is the ratable portion of the contract period and is included as a component of accrued liabilities on the balance sheet.

Contract costs include all direct material, labor, subcontract, and other direct costs and those indirect costs related to contract performance such as insurance, payroll taxes, and employee benefits. Operating costs are charged to expense as incurred. Provision for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability are recognized in the period in which the revisions are determined.

The asset, "Costs and estimated earnings in excess of billings" represents revenues recognized in excess of amounts billed. The liability, "Billings in excess of costs and estimated earnings," represents billings in excess of revenues recognized.

Assets and liabilities related to long-term construction contracts are included in current assets and current liabilities in the accompanying balance sheets, as they will be liquidated in the normal course of contract completion, although this may require more than one year.

Cash and Cash Equivalents: The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents, including certificate of deposits not subject to early withdrawal charges.

Allowance for Bad Debts: The Company uses the reserve method of accounting for bad debts. The allowance for doubtful accounts at December 31, 2009 was $134,799.

COLONIALWEBB CONTRACTORS COMPANY

Notes to Financial Statements

1. Summary of Significant Accounting Policies, Continued:

Inventory: Inventory is stated at the lower of cost or market, with cost being determined on a first-in, first out (FIFO) basis. Inventories principally consist of contract related materials, service parts, and supplies. The Company evaluates inventory levels and expected usage on a periodic basis and records valuation allowances as required.

Property and Equipment: Property and equipment is stated at cost. The costs of major improvements are capitalized, while the costs of maintenance and repairs that do not extend the original estimated economic life are charged to expense as incurred. Depreciation and amortization are provided on the straight-line method over the estimated useful lives of the assets:

Buildings	39 years
Contracting equipment and vehicles	5 - 7 years
Office furniture and computer equipment	3 - 5 years
Leasehold improvements	Term of lease

Income Taxes: The Company has elected to have its income taxed under Section 1362 (Subchapter S Corporations) of the Internal Revenue Code, which provides that, in lieu of corporate income taxes, the stockholders are taxed on the Company's taxable income. Similar provisions apply for state income tax reporting. Accordingly, no provision or liability for income taxes is provided in the accompanying financial statements.

Income Tax Uncertainties: During 2009, the Company adopted FASB guidance related to accounting for uncertainty in income taxes, which clarifies the accounting for income taxes by prescribing the minimum recognition threshold that a tax position is required to meet before being recognized in the Company's financial statements.

In accordance with the guidance, the Company discloses the expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the facts and the Company's position and records unrecognized tax benefits or liabilities for known, or anticipated tax issues based on the Company's analysis of whether additional taxes would be due to the authority given their full knowledge of the tax position. The

Company has completed its assessment and determined that there were no tax positions, which would require recognition under the interpretation. The Company's income tax returns for years since 2006 remain open for examination by tax authorities.

1. Summary of Significant Accounting Policies, Continued:

Credit Risk: Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash, accounts receivable and costs and estimated earnings in excess of billings on uncompleted contracts.

The Company maintains its cash balances in several financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. The Company regularly has funds in excess of $250,000 in the financial institutions.

Accounts receivable and costs and estimated earnings in excess of billings on uncompleted contracts result from contracts with customers principally in the Mid-Atlantic States. The Company does not normally require collateral or perfect its lien rights with respect to contract amounts or retainage held. Credit is extended to customers after an evaluation for credit worthiness.

For the year ended December 31, 2009, work performed for two customers, either directly or through another contractor, represented approximately 27% of total revenues. Two customers represented approximately 38% of accounts receivable.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Self-Insured Claims: The Company insures its automobile, general liability, and workers' compensation, claim exposures with a large deductible insurance program; and provides a self-funded group health insurance for its employees, as described in notes 14 and 15. The total expense under these and other insurance programs was approximately $6,600,000 in 2009. The accrued estimated liability for self-insured claims is revised for changes in the underlying assumptions.

Warranty: The Company generally warrants labor for varying periods ranging from one year to eighteen months after installation of new HVAC systems. The Company generally warrants labor for up to three months after the servicing of existing HVAC systems. The Company also warrants other services offered. A provision for the estimated warranty cost is made at the time a new system is sold and is accounted for as a component of the cost of the job. The individual jobs are not considered 100% complete until the expiration of the negotiated warranty period. Any warranty offered that relates to service work is expensed in the period incurred.

1. Summary of Significant Accounting Policies, Continued:

Advertising Costs: Advertising costs are expensed as incurred and are included in operating expenses in the accompanying statement of income. Advertising costs were $120,822 for the year ended December 31, 2009.

Derivative Financial Instrument Policy — Interest Rate Swap: The Company uses derivatives to manage risks related to interest rate movements. Interest rate swap contracts designated to qualify as cash flow hedges are reported at fair value. The gain or loss on the effective portion of the hedge initially is included as a component of other comprehensive income and is subsequently reclassified into retained earnings when interest on the related debt is paid. The Company documents its risk management strategy and hedge effectiveness at the inception of and during the term of each hedge. The Company's interest rate risk management strategy is to stabilize cash flow requirements by maintaining interest rate swap contracts to convert variable-rate debt to a fixed rate.

Comprehensive income includes net income and other changes in assets and liabilities not reported in net income, but are instead reported as a separate component of stockholders' equity. The Company's interest rate swap gain of $73,239 is a component of comprehensive income, which was $23,041,913 in 2009.

Subsequent Events: Management has evaluated subsequent events through March 8, 2010, the date the financial statements were available for issuance, and has determined there are no subsequent events to be reported in the accompanying financial statements other then as disclosed in Footnote 18 (unaudited).

2. Accounts Receivable:

Accounts receivable consisted of the following:

Contracts completed or in progress	$	27,770,460
Retainage		6,942,146

		34,712,606
Allowance for doubtful accounts		(134,799)
	$	34,577,807

3. Costs and Estimated Earnings on Uncompleted Contracts:

Costs and estimated earnings on uncompleted contracts consisted of the following:

Cost incurred on uncompleted contracts	$	264,203,475
Estimated earnings		55,067,633
		319,271,108
Less billings to date		(327,295,116)
	$	(8,024,008)

Included in the accompanying balance sheet under the following captions:

Costs and estimated earnings in excess of billings	$	4,863,596
Billings in excess of costs and estimated earnings		(12,887,604)
	$	(8,024,008)

4. Property and Equipment:

Property and Equipment consist of the following at December 31:

Land	$	886,668
Buildings		4,598,172
Contracting equipment and vehicles		12,351,109
Office furniture and computer equipment		5,830,659
Leasehold improvements		483,291
		24,149,899
Less - accumulated depreciation		(13,824,840)
	$	10,325,059

5. Fair Value Measurements:

In September 2006, the FASB issued Accounting Standards Codification (ASC) 820, “Fair Value Measurements.” ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosure of fair value measurements. ASC 820 provides a framework for measuring fair value under Generally Accepted Accounting Principles (GAAP) and defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 also establishes a fair value hierarchy which prioritizes the valuation inputs into three broad levels. Based on the underlying inputs, each fair value measurement in its entirety is reported in one of three levels:

Level 1 — Unadjusted quoted prices that are available in active markets for the identical assets or liabilities at the measurement date.

Level 2 — Other observable inputs available at the measurement date, other than quoted prices included in Level 1, either directly or indirectly, including:

Quoted prices for similar assets or liabilities in active markets;
Quoted prices for identical or similar assets in non-active markets;
Inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by other observable market data.

Level 3 — Unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions.

Assets and liabilities measured at fair value on a recurring basis at December 31, 2009, include the following:

	December 31, 2009			
	Fair Value Using			Assets/Liabilities at fair value
	Level 1	Level 2	Level 3	
Asset:				
Cash equivalents	$ 25,182,569	$ —	$ —	$ 25,182,569
Laibility:				
Interest rate swap	$ —	$ (14,961)	$ —	$ (14,961)

6. Related Party:

The Company has entered into a two non-cancelable operating lease for office space from a limited liability company affiliated through common ownership. The rent expense for both leases was $305,349 for 2009.

7. Retirement Plan:

The Company has an employee savings/retirement plan under Section 401(k) of the Internal Revenue Code. The plan is a salary reduction plan and allows participants to electively defer a percentage of their annual salary. The Company's contributions are discretionary and can be matching and/or profit sharing. Employees must also have completed at least one year of service for the Company. Company contributions to the Plan were approximately $225,000 for the year ended December 31, 2009.

8. Deferred Compensation:

The Company has a deferred compensation plan (DCP) covering highly compensated employees as defined by the DCP. The DCP has been organized in accordance with §409(a) of the Internal Revenue Code. Under the plan, participants receive an annual deferred contribution based on the Company's financial performance. The specific amount of the contribution can vary by participant. The annual Company contribution shall remain Company property until it is paid to the participant and shall be held with other Company assets. The DCP is a non-qualified plan; therefore, the associated liability is included in the Company's December 31, 2009 Balance Sheet. The deferred compensation plan liability was $2,076,398 at December 31, 2009.

9. Line of Credit:

The Company has a $14,000,000 credit facility which bears interest at LIBOR Market Index Rate plus 2.0% (2.34% at December 31, 2009) for any outstanding indebtedness and is due on demand. At December 31, 2009, there were no amounts outstanding on the line of credit. The credit facility is subject to a quarterly .075% unused commitment fee. The facility is collateralized by a first lien on accounts receivable subject to priority interest of applicable bonding companies on receivables related to bonded projects, and is guaranteed by the stockholders.

10. Letters of Credit:

In support of the Company's insurance programs, the Company's bank has issued irrevocable standby letters of credit to the insurers amounting to $4,148,000. Fees for letters of credit are determined at the time of issuance.

11. Notes Payable:

On August 1, 2000, the Company entered into a loan agreement with the Economic Development Authority of Henrico County, Virginia related to Tax-Exempt Adjustable Mode Industrial Development Revenue bonds (IDA bonds) in the aggregate principal amount of $5,300,000. Proceeds from these bonds were used in connection with the acquisition of land and construction of an office complex and warehouse in Richmond, Virginia. The IDA bonds bear interest based on a tax-exempt variable rate (.58% at December 31, 2009). Principal and interest installments are due quarterly and the bonds mature in August 2020. This loan agreement was updated with an Amended and Restated Reimbursement and Security Agreement dated May 1, 2003. The outstanding balance at December 31, 2009 was $3,200,000.

The IDA bonds are collateralized by an irrevocable letter of credit issued by Wachovia Bank as of May 1, 2003. The letter of credit will terminate on the expiration date of the related loan agreement or as defined in the agreement. The land, office complex and warehouse have also been pledged as collateral for amounts outstanding related to the IDA bonds.

Under the terms of the loan agreement and letter of credit, the Company is subject to various affirmative and negative covenants including the maintenance of certain financial ratios. At December 31, 2009, management believes the Company was in compliance with these covenants.

The Company has promissory notes due to a bank totaling $4,862,252 at December 31, 2009, bearing interest at rates of the 1-month London Interbank Offered Rate (LIBOR) plus 1.75% (2.09% at December 31, 2009) payable in monthly principal and interest installments ranging from approximately $33,500 to $180,500 per month. The notes are collateralized by equipment and vehicles.

Estimated principal repayments on long-term debt for future years ending December 31 are as follows:

2010	$	2,692,023
2011		1,971,523
2012		585,788
2013		412,918
2014		200,000
Thereafter		2,200,000
	$	8,062,252

11. Notes Payable, Continued:

Interest Rate Swap: To minimize the effects of interest rate changes, the Company entered into an interest rate swap contract related to its Richmond office and warehouse complex under which it pays interest at a fixed rate of 2.91% and receives interest at 67% of LIBOR. The $73,239 gain from change in the swap contracts' fair value during 2009 is included in other comprehensive loss and is reclassified into net income as a component of interest expense when interest is paid. The derivatives contract value is a liability of $14,961 at December 31, 2009, and is included in accrued liabilities on the balance sheet.

12. Common Stock:

Common stock consists of 150,000 authorized shares with a par value of $1 of which 115,903 shares are outstanding.

13. Lease Commitments:

The company leases office space, vehicles and equipment under various noncancelable operating lease agreements which expire through 2016. The total rent expense for 2009 was $701,948.

Future commitments under noncancelable operating leases at December 31 are as follows:

2010	$	757,166
2011		717,614
2012		417,312
2013		269,299
2014		87,864
Thereafter		129,339
	$	2,378,594

14. Commercial Insurance Claim Liability:

The Company insures automobile, general liability and workers' compensation claim exposures with a large deductible insurance program. Operations are charged with the cost of claims reported and an estimate of claims incurred but not reported. A liability for unpaid claims and the associated claim expenses, including incurred but not reported losses, is determined and reflected in the balance sheet as an accrued liability. The claim liability represents a provision for expected losses of $1,923,213 at December 31, 2009. The determination of such claims and expenses and the appropriateness of the related liability is continually reviewed and updated.

15. Health Insurance Claim Liability:

The Company provides a self-funded group health plan for its employees. The Company has purchased stop-loss insurance in order to limit its exposure. The Company has no responsibility for individual claims in excess of $100,000 for the plan year or aggregate claims exceeding 125% of the expected claims for the entire plan year. Incurred but not reported claims are accrued based on the Company's estimates of the aggregate liability for incurred claims using certain actuarial assumptions followed in the insurance industry. At December 31, 2009, the accrued liability for incurred but not reported claims is included in accrued expenses and approximates $1,975,000.

16. Guarantees:

As permitted or required under Virginia corporation law, the Company has certain obligations to indemnify its current officers and directors for certain events or occurrences while the officer or director is, or was serving, at the Company's request in such capacities. The maximum liability under these obligations in unlimited; however, the Company's insurance policies serve to limit its exposure.

17. Backlog (Unaudited):

Backlog represents the amount of revenue the Company expects to realize from uncompleted contracts in progress at year-end and from contractual agreements on which work has not yet begun.

The estimated gross revenue on work to be performed on signed contracts was approximately $136,760,000 at December 31, 2009.

18. Events Subsequent to the Date of the Report of Independent Auditor (Unaudited):

Special Equity Incentive Plan: In 2005, the Company adopted a Special Equity Incentive Plan (the "Plan") for a group of key employees. These employees were offered share-based compensation units which would ultimately be redeemable for common stock subject to various restrictions. The Plan would only become effective after specific triggering events took place, principally the retirement of acquisition debt owed by the former stockholders of the Company. A triggering event took place on July 23, 2010. In accordance with the plan document, the key employees were issued Company stock which resulted in the recognition of $16.4 million in compensation cost with a corresponding increase to paid-in capital in July 2010.

Acquisition by Comfort Systems, USA: On July 28, 2010 Comfort Systems USA, Inc. acquired 100% of the stock of ColonialWebb Contractors Company.

COLONIALWEBB CONTRACTORS®

Financial Statements

June 30, 2010

COLONIALWEBB CONTRACTORS COMPANY

Balance Sheet
June 30, 2010

Assets		
Current assets:		
Cash and cash equivalents	$	28,559,776
Accounts receivable - net		34,286,988
Costs and estimated earnings in excess of billings		4,543,644
Prepaid expenses and other current assets		976,618
Inventory		624,685
Service work in progress		1,314,693
Total current assets		70,306,404
Long-term assets:		
Cash surrender value of life insurance		19,600
Property and equipment - net		10,039,200
Total long-term assets		10,058,800
Total assets	$	80,365,204
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	$	2,921,570
Accounts payable		10,553,645
Accrued liabilities		4,321,768
Accrued compensation		5,804,270
Billings in excess of costs and estimated earnings		12,240,632
Total current liabilities		35,841,885
Long-term liabilities:		
Deferred compensation		2,076,398
Long-term debt - less current portion		4,825,833
Total long-term liabilities		6,902,231
Total liabilities		42,744,116
Stockholders' equity		37,621,088
	$	80,365,204

COLONIALWEBB CONTRACTORS COMPANY

Statement of Income
Six Months Ended June 30, 2010

Revenue	$	92,313,724
Cost of Revenue		67,330,816
Gross profit		24,982,908
Operating expenses		17,615,049
Income from operations		7,367,859
Other income (expense):		
Interest income		167,251
Other income		9,440
Interest expense		(181,354)
Gain on sale of equipment		52,192
Total other expense		47,529
Net income	$	7,415,388

COLONIALWEBB CONTRACTORS COMPANY

Statement of Stockholders' Equity
Six Months Ended June 30, 2010

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance, December 31, 2009	115,903	$ 115,903	$ 15,992,217	$ 17,773,317	$ (14,961)	$ 33,866,476
Net income	—	—	—	7,415,388	—	7,415,388
Dividends paid	—	—	—	(3,675,737)	—	(3,675,737)
Other comprehensive loss:						
Change in unrealized loss on interest rate swap	—	—	—	—	14,961	14,961
Balance, June 30, 2010	115,903	$ 115,903	$ 15,992,217	$ 21,512,968	$ —	$ 37,621,088
Common stock authorized	150,000					

COLONIALWEBB CONTRACTORS COMPANY

Statement of Cash Flows
Six Months Ended June 30, 2010

Cash flows from operating activities:		
Net income	$	7,415,388
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization		1,482,957
Gain on sale of equipment		(52,192)
Increase in cash surrender value of life insurance		(19,600)
Changes in operating assets and liabilities:		
Accounts receivable - net		290,819
Costs and estimated earnings in excess of billings		319,952
Prepaid expenses and other current assets		40,236
Inventory		132,874
Service work in progress		(927,569)
Accounts payable		141,164
Accrued liabilities		(190,670)
Accrued compensation		(2,753,006)

Billings in excess of costs and estimated earnings	(646,972)
Net cash provided by operating activities	5,233,381
Cash flows from investing activities:	
Purchases of property and equipment	(1,239,762)
Proceeds from sale of property and equipment	109,817
Net cash used in investing activities	(1,129,945)
Cash flows from financing activities:	
Payments on debt	(1,255,556)
Proceeds from borrowings of long-term debt	940,707
Dividends paid	(3,675,737)
Net cash used in financing activities	(3,990,586)
Net increase in cash	112,850
Cash and cash equivalents, beginning of period	28,446,926
Cash and cash equivalents, end of period	$ 28,559,776
Supplemental disclosure of cash flow information:	
Cash paid for interest	$ 138,642