

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

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

**Date of Report (date of earliest event reported): June 1, 2006**

**Commission File Number: 1-13011**

**COMFORT SYSTEMS USA, INC.**

(Exact name of registrant as specified in its charter)

**DELAWARE**

(State or other jurisdiction of incorporation)

**76-0526487**

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

**777 Post Oak Boulevard  
Suite 500**

**Houston, Texas 77056**

(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:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.01** Completion of Acquisition or Disposition of Assets

On June 1, 2006, Comfort Systems USA, Inc. (the "Company") along with its wholly-owned subsidiary, ARC Comfort Systems USA, Inc. ("ARC"), entered into an asset purchase agreement to sell certain assets of ARC to Mesa Energy Systems, Inc. (a subsidiary of EMCOR Group, Inc.) for approximately \$0.7 million in cash, subject to a purchase price adjustment based upon the closing balance sheet for the transferred assets. There is no gain or loss associated with this sale. The purchase price was determined by arms-length negotiation between the parties. The Company is in the process of shutting down the remaining operations of ARC.

**Item 9.01** Financial Statements

(b) *Pro forma financial information*

The following unaudited financial information reflects the pro forma consolidated statements of operations for the three months ended March 31, 2006 and the three years in the period ended December 31, 2005 and the related pro forma consolidated balance sheet as of March 31, 2006 in light of this transaction and the shutting down of the remaining operations of ARC. The unaudited pro forma consolidated statement of operations for the three months ended March 31, 2006 and the year ended December 31, 2005, gives effect to the disposition as if it occurred on January 1, 2005. The unaudited pro forma consolidated balance sheet as of March 31, 2006 assumes the disposition occurred on March 31, 2006. The pro forma information is based on the historical financial statements of the divested company after giving effect to the proposed disposition and the financial statements and are not necessarily indicative of the financial position or results of operations of the Company that would have actually occurred had the transaction and the shutdown of ARC been in effect as of the date or for the periods presented. The pro forma consolidated financial statements have been prepared based on preliminary estimates. 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, 2005.

**Comfort Systems USA, Inc.**  
**Pro Forma Consolidated Balance Sheet**  
**As of March 31, 2006**  
(in thousands)  
(Unaudited)

<b>ASSETS</b>	<b>Historical</b>	<b>Divested Company (A)</b>	<b>Pro Forma</b>
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 58,361	\$ —	\$ 58,361
Accounts receivable, net	206,410	(2,297)	204,113
Other receivables	5,014	(1)	5,013
Inventories	8,276	(23)	8,253
Costs and estimated earnings in excess of billings	25,249	(54)	25,195
Prepaid expenses and other	11,680	(108)	11,572
Assets related to discontinued operations	469	3,091	3,560
<b>Total current assets</b>	<b>315,459</b>	<b>608</b>	<b>316,067</b>
PROPERTY AND EQUIPMENT, net	13,547	(88)	13,459
GOODWILL	62,954	—	62,954
OTHER NONCURRENT ASSETS	7,180	(520)	6,660
<b>Total assets</b>	<b>\$ 399,140</b>	<b>\$ —</b>	<b>\$ 399,140</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Current maturities of long-term debt	\$ —	\$ —	\$ —
Accounts payable	67,945	(411)	67,534
Accrued compensation and benefits	22,782	(162)	22,620
Billings in excess of costs and estimated earnings	57,150	(274)	56,876
Income taxes payable	1,051	—	1,051
Accrued self insurance expense	17,882	(24)	17,858
Other current liabilities	13,736	(292)	13,444
Liabilities related to discontinued operations	62	1,163	1,225
<b>Total current liabilities</b>	<b>180,608</b>	<b>—</b>	<b>180,608</b>
LONG-TERM DEBT, NET OF CURRENT MATURITIES	—	—	—
<b>Total liabilities</b>	<b>180,608</b>	<b>—</b>	<b>180,608</b>
<b>COMMITMENTS AND CONTINGENCIES</b>			
STOCKHOLDERS' EQUITY	218,532	—	218,532
<b>Total liabilities and stockholders' equity</b>	<b>\$ 399,140</b>	<b>\$ —</b>	<b>\$ 399,140</b>

The accompanying note is an integral part of this financial statement.

**Comfort Systems USA, Inc.**  
**Pro Forma Consolidated Statement of Operations**  
**Three Months Ended March 31, 2006**  
(in thousands, except per share amounts)  
(Unaudited)

	<b>Historical</b>	<b>Divested Company(B)</b>	<b>Pro Forma</b>
REVENUES	\$ 237,854	\$ (1,469)	\$ 236,385
COST OF SERVICES	201,010	(1,393)	199,617
Gross profit	36,844	(76)	36,768
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	30,134	(391)	29,743
GAIN ON SALE OF ASSETS	(16)	(4)	(20)
Operating income	6,726	319	7,045
<b>OTHER INCOME (EXPENSE):</b>			
Interest income	647	(1)	646
Interest expense	(155)	—	(155)
Other	19	—	19
Other income (expense)	511	(1)	510
INCOME BEFORE INCOME TAXES	7,237	318	7,555
INCOME TAX EXPENSE	2,910	111	3,021

INCOME FROM CONTINUING OPERATIONS	\$	4,327	\$	207	\$	4,534
INCOME PER SHARE:						
Basic	\$	0.11			\$	0.11
Diluted	\$	0.11			\$	0.11
SHARES USED IN COMPUTING INCOME PER SHARE:						
Basic		39,857				39,857
Diluted		40,862				40,862

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**Comfort Systems USA, Inc.**  
**Pro Forma Consolidated Statement of Operations**  
**Year Ended December 31, 2005**  
(in thousands, except per share amounts)

(Unaudited)

	Historical	Divested Company (B)	Pro Forma
REVENUES	\$ 899,531	\$ (6,982)	\$ 892,549
COST OF SERVICES	752,354	(7,947)	744,407
Gross profit	147,177	965	148,142
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	114,611	(1,326)	113,285
GOODWILL IMPAIRMENT	33,877	—	33,877
(GAIN) LOSS ON SALE OF ASSETS	(36)	(49)	(85)
Operating income (loss)	(1,275)	2,340	1,065
OTHER INCOME (EXPENSE):			
Interest income	766	(14)	752
Interest expense	(1,075)	—	(1,075)
Write off of debt costs	(870)	—	(870)
Other	107	—	107
Other income (expense)	(1,072)	(14)	(1,086)
LOSS BEFORE INCOME TAXES	(2,347)	2,326	(21)
INCOME TAX EXPENSE (BENEFIT)	14,027	821	14,848
LOSS FROM CONTINUING OPERATIONS	\$ (16,374)	\$ 1,505	\$ (14,869)
LOSS PER SHARE:			
Basic	\$ (0.42)		\$ (0.38)
Diluted	\$ (0.42)		\$ (0.38)
SHARES USED IN COMPUTING INCOME PER SHARE:			
Basic	39,298		39,298
Diluted	39,298		39,298

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**Comfort Systems USA, Inc.**  
**Pro Forma Consolidated Statement of Operations**  
**Year Ended December 31, 2004**  
(in thousands, except per share amounts)

(Unaudited)

	Historical	Divested Company (B)	Pro Forma
REVENUES	\$ 778,621	\$ (11,263)	\$ 767,358
COST OF SERVICES	656,660	(12,342)	644,318
Gross profit	121,961	1,079	123,040
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	100,844	(2,415)	98,429
GOODWILL IMPAIRMENT	637	—	637
(GAIN) LOSS ON SALE OF ASSETS	(24)	(91)	(115)
Operating income	20,504	3,585	24,089

<b>OTHER INCOME (EXPENSE):</b>			
Interest income	172	—	172
Interest expense	(1,566)	—	(1,566)
Other	(427)	—	(427)
Other income (expense)	<u>(1,821)</u>	<u>—</u>	<u>(1,821)</u>
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>			
	18,683	3,585	22,268
<b>INCOME TAX EXPENSE (BENEFIT)</b>	<u>7,327</u>	<u>1,262</u>	<u>8,589</u>
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	<u>\$ 11,356</u>	<u>\$ 2,323</u>	<u>\$ 13,679</u>
<b>INCOME PER SHARE:</b>			
Basic	\$ 0.30		\$ 0.36
Diluted	\$ 0.29		\$ 0.35
<b>SHARES USED IN COMPUTING INCOME (LOSS) PER SHARE:</b>			
Basic	<u>38,409</u>		<u>38,409</u>
Diluted	<u>39,505</u>		<u>39,505</u>

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**Comfort Systems USA, Inc.**  
**Pro Forma Consolidated Statement of Operations**  
**Year Ended December 31, 2003**  
(in thousands, except per share amounts)  
(Unaudited)

	Historical	Divested Company (B)	Pro Forma
REVENUES	\$ 746,216	\$ (14,191)	\$ 732,025
COST OF SERVICES	628,718	(13,306)	615,412
Gross profit	<u>117,498</u>	<u>(885)</u>	<u>116,613</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	107,421	(2,803)	104,618
GOODWILL IMPAIRMENT	2,726	—	2,726
RESTRUCTURING CHARGES	3,223	(108)	3,115
LOSS ON SALE OF ASSETS	304	(57)	247
Operating income	<u>3,824</u>	<u>2,083</u>	<u>5,907</u>
<b>OTHER INCOME (EXPENSE):</b>			
Interest income	66	—	66
Interest expense	(3,893)	5	(3,888)
Write off of debt costs	(4,172)	—	(4,172)
Other	158	6	164
Other income (expense)	<u>(7,841)</u>	<u>11</u>	<u>(7,830)</u>
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>			
	(4,017)	2,094	(1,923)
<b>INCOME TAX EXPENSE (BENEFIT)</b>	<u>(1,857)</u>	<u>741</u>	<u>(1,116)</u>
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	<u>\$ (2,160)</u>	<u>\$ 1,353</u>	<u>\$ (807)</u>
<b>LOSS PER SHARE:</b>			
Basic	\$ (0.06)		\$ (0.02)
Diluted	\$ (0.08)		\$ (0.04)
<b>SHARES USED IN COMPUTING LOSS PER SHARE:</b>			
Basic	<u>37,702</u>		<u>37,702</u>
Diluted	<u>38,111</u>		<u>38,111</u>

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NOTE TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

1. Pro Forma Adjustments

