# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2022**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

**A** This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

**E** If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. . . . . ▶ [ ]

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
COMFORT SYSTEMS USA, INC. 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 10/01/1998

**2a** Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
COMFORT SYSTEMS USA, INC.

675 BERING DR., SUITE 400
HOUSTON, TX 77057

**2b** Employer Identification Number (EIN) 76-0526487

**2c** Plan Sponsor's telephone number 713-830-9600

**2d** Business code (see instructions) 238220

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/16/2023 | MARIA CORONADO |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/16/2023 | MARIA CORONADO |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

| | | | |
|---|---|---|---|
| **3a** | Plan administrator's name and address [X] Same as Plan Sponsor | **3b** | Administrator's EIN |
| | | **3c** | Administrator's telephone number |
| **4** | If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: | **4b** | EIN |
| **a** | Sponsor's name | **4d** | PN |
| **c** | Plan Name | | |
| **5** | Total number of participants at the beginning of the plan year | **5** | 13592 |
| **6** | Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** | Total number of active participants at the beginning of the plan year | **6a(1)** | 9577 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 11497 |
| **b** | Retired or separated participants receiving benefits | **6b** | 30 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 6093 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 17620 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 17620 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 17620 |
| **h** | Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 475 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2J 2F 2G 2K 3H 2T 2R 3D 2S

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

**9a** Plan funding arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | [X] | Insurance |
| **(2)** | [ ] | Code section 412(e)(3) insurance contracts |
| **(3)** | [X] | Trust |
| **(4)** | [ ] | General assets of the sponsor |

**9b** Plan benefit arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | [X] | Insurance |
| **(2)** | [ ] | Code section 412(e)(3) insurance contracts |
| **(3)** | [X] | Trust |
| **(4)** | [ ] | General assets of the sponsor |

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

| | | |
|---|---|---|
| **(1)** | [X] | **R** (Retirement Plan Information) |
| **(2)** | [ ] | **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary |
| **(3)** | [ ] | **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary |

**b General Schedules**

| | | | |
|---|---|---|---|
| **(1)** | [X] | | **H** (Financial Information) |
| **(2)** | [ ] | | **I** (Financial Information – Small Plan) |
| **(3)** | [X] | 1 | **A** (Insurance Information) |
| **(4)** | [X] | | **C** (Service Provider Information) |
| **(5)** | [X] | | **D** (DFE/Participating Plan Information) |
| **(6)** | [ ] | | **G** (Financial Transaction Schedules) |

## Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

**11c** Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

# SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

**2022**

**This Form is Open to Public Inspection**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

**A** Name of plan
COMFORT SYSTEMS USA, INC. 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
COMFORT SYSTEMS USA, INC.

**D** Employer Identification Number (EIN)
76-0526487

**Part I** **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

**1** Coverage Information:

**(a)** Name of insurance carrier
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

| **(b)** EIN | **(c)** NAIC code | **(d)** Contract or identification number | **(e)** Approximate number of persons covered at end of policy or contract year | Policy or contract year | |
|---|---|---|---|---|---|
| | | | | **(f)** From | **(g)** To |
| 06-1050034 | 93629 | 038162 | 17620 | 01/01/2022 | 12/31/2022 |

**2** Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

| **(a)** Total amount of commissions paid | **(b)** Total amount of fees paid |
|---|---|
| | |

**3** Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

## Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

| | | | |
|---|---|---|---|
| 4 | Current value of plan's interest under this contract in the general account at year end | 4 | 106059795 |
| 5 | Current value of plan's interest under this contract in separate accounts at year end | 5 | 104108095 |

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

| | | | |
|---|---|---|---|
| b | Premiums paid to carrier | 6b | |
| c | Premiums due but unpaid at the end of the year | 6c | |
| d | If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶ | 6d | |

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity (3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee (3) ☐ guaranteed investment (4) ☒ other ▶ GUARANTEED GENERAL ACCOUNT CONTRACT

| | | | | | |
|---|---|---|---|---|---|
| b | Balance at the end of the previous year | | | 7b | 92701982 |
| c | Additions: (1) Contributions deposited during the year | 7c(1) | 5398483 | | |
| | (2) Dividends and credits | 7c(2) | | | |
| | (3) Interest credited during the year | 7c(3) | 1645557 | | |
| | (4) Transferred from separate account | 7c(4) | 4242832 | | |
| | (5) Other (specify below) | 7c(5) | 27892967 | | |
| | ▶ LOAN REPAYMENTS, TRANSFERS IN MISCELLANEOUS IN PLAN ROLLOVER | | | | |
| | (6) Total additions | | | 7c(6) | 39179839 |
| d | Total of balance and additions (add lines **7b** and **7c(6)**) | | | 7d | 131881821 |
| e | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | 7e(1) | 11960465 | | |
| | (2) Administration charge made by carrier | 7e(2) | 9144 | | |
| | (3) Transferred to separate account | 7e(3) | 2501746 | | |
| | (4) Other (specify below) | 7e(4) | 11350671 | | |
| | ▶ LOAN INITIATIONS TRANSFERS OUT, MISCELLANEOUS OUT FORFEITURES DEBITS | | | | |
| | (5) Total deductions | | | 7e(5) | 25822026 |
| f | Balance at the end of the current year (subtract line **7e(5)** from line **7d**) | | | 7f | 106059795 |

## Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**8** Benefit and contract type (check all applicable boxes)

- **a** ☐ Health (other than dental or vision)
- **b** ☐ Dental
- **c** ☐ Vision
- **d** ☐ Life insurance
- **e** ☐ Temporary disability (accident and sickness)
- **f** ☐ Long-term disability
- **g** ☐ Supplemental unemployment
- **h** ☐ Prescription drug
- **i** ☐ Stop loss (large deductible)
- **j** ☐ HMO contract
- **k** ☐ PPO contract
- **l** ☐ Indemnity contract
- **m** ☐ Other (specify) ▶

| | | | | |
|---|---|---|---|---|
| **9** Experience-rated contracts: | | | | |
| **a** Premiums: (1) Amount received | **9a(1)** | | | |
| (2) Increase (decrease) in amount due but unpaid | **9a(2)** | | | |
| (3) Increase (decrease) in unearned premium reserve | **9a(3)** | | | |
| (4) Earned (**(1)** + **(2)** - **(3)**) | | | **9a(4)** | |
| **b** Benefit charges (1) Claims paid | **9b(1)** | | | |
| (2) Increase (decrease) in claim reserves | **9b(2)** | | | |
| (3) Incurred claims (add **(1)** and **(2)**) | | | **9b(3)** | |
| (4) Claims charged | | | **9b(4)** | |
| **c** Remainder of premium: (1) Retention charges (on an accrual basis) -- | | | | |
| (A) Commissions | **9c(1)(A)** | | | |
| (B) Administrative service or other fees | **9c(1)(B)** | | | |
| (C) Other specific acquisition costs | **9c(1)(C)** | | | |
| (D) Other expenses | **9c(1)(D)** | | | |
| (E) Taxes | **9c(1)(E)** | | | |
| (F) Charges for risks or other contingencies | **9c(1)(F)** | | | |
| (G) Other retention charges | **9c(1)(G)** | | | |
| (H) Total retention | | | **9c(1)(H)** | |
| (2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.) | | | **9c(2)** | |
| **d** Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement | | | **9d(1)** | |
| (2) Claim reserves | | | **9d(2)** | |
| (3) Other reserves | | | **9d(3)** | |
| **e** Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.) | | | **9e** | |
| **10** Nonexperience-rated contracts: | | | | |
| **a** Total premiums or subscription charges paid to carrier | | | **10a** | |
| **b** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. | | | **10b** | |

Specify nature of costs.

## Part IV Provision of Information

**11** Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

**12** If the answer to line 11 is "Yes," specify the information not provided. ▶

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2022**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

| **A** Name of plan | **B** Three-digit plan number (PN) ▶ |
|---|---|
| COMFORT SYSTEMS USA, INC. 401(K) PLAN | 001 |

| **C** Plan sponsor's name as shown on line 2a of Form 5500 | **D** Employer Identification Number (EIN) |
|---|---|
| COMFORT SYSTEMS USA, INC. | 76-0526487 |

## Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 13 15 37 50 64 65 | NONE | 867018 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

MELTON & MELTON LLP

74-1550819

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 10 | NONE | 26500 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

LPL FINANCIAL, LLC

04-3046611

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 | NONE | 18000 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

CROWE HORWATH LLP

35-0921680

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 10 | NONE | 8731 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

PRUDENTIAL INVESTMENT MANAGEMENT SE

13-4122960

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 63 71 | NONE | 176 | Yes [X] No [ ] | Yes [ ] No [X] | 73 | Yes [ ] No [X] |

**(a)** Enter name and EIN or address (see instructions)

NATIONAL FINANCIAL SERVICES, LLC

04-3523567

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 15 | NONE | 0 | Yes [X] No [ ] | Yes [X] No [ ] | 45 | Yes [ ] No [X] |

## Part I Service Provider Information (continued)

**3.** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

## Part II Service Providers Who Fail or Refuse to Provide Information

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2022**

**This Form is Open to Public Inspection.**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

**A** Name of plan
COMFORT SYSTEMS USA, INC. 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
COMFORT SYSTEMS USA, INC.

**D** Employer Identification Number (EIN)
76-0526487

**Part I** **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: CORE PLUS BOND / PGIM FD

**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 06-1050034-299 | P | 9045632 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: INTL BLD/WELLINGTON

**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 06-1050034-349 | P | 16824298 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: LARGE CP GROWTH II FD

**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 06-1050034-128 | P | 77955653 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PRU DAY ONE IFX TARG BAL

**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 06-1050034-697 | P | 282512 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VAN TGT RET 2065 TRUST II

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 82-6194314-001 | C | 4641559 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VAN TGT RETIRE INCOME II

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 90-6083967-001 | C | 9080123 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VAN TGT RETIRE 2015 II

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 90-6083984-001 | C | 0 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VAN TGT RETIRE 2020 II

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 90-6083982-001 | C | 17885445 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VAN TGT RETIRE 2025 II

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 90-6083980-001 | C | 45376580 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VAN TGT RETIRE 2030 II

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 90-6083978-001 | C | 53581940 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VAN TGT RETIRE 2035 II

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 90-6083976-001 | C | 45913688 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VAN TGT RETIRE 2040 II

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 90-6083974-001 | C | 41025770 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VAN TGT RETIRE 2045 II

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 90-6083972-001 | C | 36779226 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VAN TGT RETIRE 2050 II

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 90-6083970-001 | C | 31320215 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VAN TGT RETIRE 2055 II

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 27-6715091-001 | C | 18102918 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VAN TGT RETIRE 2060 II

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 45-3799419-001 | C | 10589199 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

## Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2022**

**This Form is Open to Public Inspection**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

**A** Name of plan
COMFORT SYSTEMS USA, INC. 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
COMFORT SYSTEMS USA, INC.

**D** Employer Identification Number (EIN)
76-0526487

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | 282 | 57 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 1113130 | 1387393 |
| **(2)** Participant contributions | 1b(2) | 1664677 | 2180710 |
| **(3)** Other | 1b(3) | 9617848 | 33713338 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | | |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | 0 | 0 |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | 11667532 | 13058784 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 363350654 | 314296663 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | 143436535 | 104108095 |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 226886924 | 218710783 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 92701982 | 106059795 |
| **(15)** Other | 1c(15) | 1099278 | 742196 |

| | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **1d** Employer-related investments: | | | |
| **(1)** Employer securities | 1d(1) | | |
| **(2)** Employer real property | 1d(2) | | |
| **e** Buildings and other property used in plan operation | 1e | | |
| **f** Total assets (add all amounts in lines 1a through 1e) | 1f | 851538842 | 794257814 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | | |
| **h** Operating payables | 1h | | |
| **i** Acquisition indebtedness | 1i | | |
| **j** Other liabilities | 1j | | |
| **k** Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 851538842 | 794257814 |

## Part II Income and Expense Statement

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

| Income | | (a) Amount | (b) Total |
|---|---|---|---|
| **a Contributions:** | | | |
| **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 16662542 | |
| **(B)** Participants | 2a(1)(B) | 48222637 | |
| **(C)** Others (including rollovers) | 2a(1)(C) | 4099780 | |
| **(2)** Noncash contributions | 2a(2) | | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 68984959 |
| **b Earnings on investments:** | | | |
| **(1)** Interest: | | | |
| **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| **(B)** U.S. Government securities | 2b(1)(B) | | |
| **(C)** Corporate debt instruments | 2b(1)(C) | | |
| **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| **(E)** Participant loans | 2b(1)(E) | 537041 | |
| **(F)** Other | 2b(1)(F) | 1645557 | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 2182598 |
| **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| **(B)** Common stock | 2b(2)(B) | | |
| **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 3290090 | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 3290090 |
| **(3)** Rents | 2b(3) | | |
| **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| **(B)** Other | 2b(5)(B) | 143 | |
| **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 143 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | -60717343 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | -37414404 |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | -36201562 |
| c Other income | 2c | | -381729 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | -60257248 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 65425123 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | | |
| (3) Other | 2e(3) | | |
| (4) Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 65425123 |
| f Corrective distributions (see instructions) | 2f | | 104065 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | 27299 |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | 35231 | |
| (2) Contract administrator fees | 2i(2) | 867193 | |
| (3) Investment advisory and management fees | 2i(3) | 18000 | |
| (4) Other | 2i(4) | 12347 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 932771 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 66489258 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | -126746506 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | 69465478 |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

**(1)** [X] Unmodified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

**b** Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

**(1)** [X] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [ ] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

**c** Enter the name and EIN of the accountant (or accounting firm) below:

**(1)** Name: MELTON & MELTON, LLP **(2)** EIN: 74-1550819

**d** The opinion of an independent qualified public accountant is **not attached** because:

**(1)** [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

## Part IV Compliance Questions

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | X | | 90092 |

| | | Yes | No | Amount |
|---|---|---|---|---|
| **b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |
| **c** Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| **d** Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| **e** Was this plan covered by a fidelity bond? | 4e | X | | 5000000 |
| **f** Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| **g** Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| **h** Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| **i** Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| **j** Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.) | 4j | | X | |
| **k** Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| **l** Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| **m** If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| **n** If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

**5c** Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2022**

**This Form is Open to Public Inspection.**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

**A** Name of plan
COMFORT SYSTEMS USA, INC. 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
COMFORT SYSTEMS USA, INC.

**D** Employer Identification Number (EIN)
76-0526487

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 22-1211670

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... **3**

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6** **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11** **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

**14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

| | | |
|---|---|---|
| **a** The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) | **14a** | |
| **b** The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **14b** | |
| **c** The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **14c** | |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

## Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

**19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

**a** Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

**20** **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

**a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

**b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation_____

# COMFORT SYSTEMS USA, INC.
# 401(k) PLAN

FINANCIAL STATEMENTS

AND SUPPLEMENTAL SCHEDULES

AS OF

DECEMBER 31, 2022 AND 2021

AND INDEPENDENT AUDITOR'S REPORT



MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

# COMFORT SYSTEMS USA, INC. 401(k) PLAN

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MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

# INDEPENDENT AUDITOR'S REPORT

To the Investment Committee of
**Comfort Systems USA, Inc. 401(k) Plan**

***Scope and Nature of the ERISA Section 103(a)(3)(C) Audit***

We have performed audits of the financial statements of Comfort Systems USA, Inc. 401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 5 to the financial statements, is complete and accurate.

***Opinion***

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

6002 Rogerdale, Ste. 200 Houston, Texas 77072 Tel 281-759-1120 Fax 281-759-5500

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Matter — Supplemental Schedules Required by ERISA***

The supplemental schedule H, line 4i - schedule of assets (held at end of year) as of December 31, 2022 and schedule H, line 4a - schedule of delinquent participant contributions for the year ended December 31, 2022 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Melton & Melton, LLP

Houston, Texas
October 16, 2023

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**
**December 31, 2022 and 2021**

| | 2022 | 2021 |
|---|---|---|
| Investments, at fair value | $ 637,857,737 | $ 734,773,391 |
| Investments, at contract value | 106,059,795 | 92,701,982 |
| Cash, noninterest bearing | 57 | 282 |
| Receivables: | | |
| Employer contributions | 1,387,393 | 1,113,130 |
| Participant contributions | 2,180,710 | 1,664,677 |
| Notes receivable from participants | 13,058,784 | 11,667,532 |
| Transfer of assets from merged plans | 33,713,338 | 9,617,848 |
| Total receivables | 50,340,225 | 24,063,187 |
| Net assets available for benefits | **$ 794,257,814** | **$ 851,538,842** |

(See accompanying notes to financial statements)

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**
**For the Year Ended December 31, 2022**

| | |
|---|---|
| Investment income (loss): | |
| Interest and dividend income | $ 4,935,647 |
| Net depreciation in fair value of investments | (134,714,895) |
| | (129,779,248) |
| Interest income on notes receivable from participants | 537,041 |
| Contributions: | |
| Participant | 48,222,637 |
| Rollover | 4,099,780 |
| Employer | 16,662,542 |
| | 68,984,959 |
| Benefits paid to participants | (65,556,487) |
| Administrative expenses | (932,771) |
| | (66,489,258) |
| Change in net assets available for benefits | (126,746,506) |
| Transfer of net assets into Plan | 69,465,478 |
| Net assets available for benefits at: | |
| Beginning of year | 851,538,842 |
| End of year | **$ 794,257,814** |

(See accompanying notes to financial statements)

# COMFORT SYSTEMS USA, INC. 401(k) PLAN
# NOTES TO FINANCIAL STATEMENTS
# December 31, 2022 and 2021

## NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the Comfort Systems USA, Inc. 401(k) Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

The Plan was amended and restated effective January 1, 2022 to adopt a pre-approved defined contribution plan document, as well as, consolidate all amendments and legislative and regulatory updates into one Plan document, and amend eligibility provisions to exclude seasonal and temporary employees with less than 1,000 hours of service in a plan year from being eligible to enroll in the Plan.

### Plan Administration

On April 1, 2022, Empower Annuity Insurance Company of America, formerly known as Great-West Life and Annuity Insurance Company, the parent company of Empower Retirement, LLC ("Empower") acquired the full-service retirement business of Prudential Financial, Inc. In correction with the transaction, Prudential Retirement Insurance and Annuity Company ("PRIAC") and Prudential Bank & Trust, FSB ("PB&T") were acquired by Empower. On October 3, 2022, PRIAC was named Empower Annuity Insurance Company ("EAIC").

### General

The Plan is a defined contribution plan and is subject to the Employee Retirement Income Security Act of 1974 (ERISA). The Plan covers all employees of Comfort Systems USA, Inc. and Subsidiaries (collectively, the "Company"), except employees covered by a collective bargaining agreement (CBA), unless the CBA provides for coverage under the Plan, leased employees, nonresident aliens without United States source income, self-employed individuals, contract employees, and seasonal and temporary employees with less than 1,000 hours of service in a plan year. Eligible employees may join the Plan on the first day of the month coincident with or immediately following the date of hire. Employees of the Company are eligible to receive the Company's discretionary regular matching contributions immediately upon contributing, as defined in the Plan.

### Plan Mergers

The Company acquired TEC Industrial during 2022. As part of the amended and restated Plan document, effective January 1, 2022, TEC Industrial became a participating employer of the Plan and the TEC Industrial Profit Sharing and 401(k) Plan (TEC Industrial Plan) merged with and into the Plan. The transferred net assets were moved out of the TEC Industrial Plan effective December 31, 2021 but were not received into the accounts of the Plan until January 2022; therefore, total net assets transferred in the approximate amount of $9,617,000 are included as a receivable in the statements of net assets available for benefits at December 31, 2021.

Effective December 1, 2022, Ivey became a participating employer of the Plan and the Ivey 401(k) Plan merges with and into the Plan. Total net assets of approximately $34,914,000 were transferred into the Plan.

**NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)**

The Company acquired Western States Mechanical, Inc., Amteck, LLC, and MEP Holding Company, Inc. during 2022. Western States Mechanical, Inc., Amteck, LLC, and MEP Holding Company, Inc. became participating employers of the Plan effective January 2023 and the Western States Mechanical 401(k) Plan, Amteck, LLC 401(k) Plan, and MEP Holding Company 401(k) Plan merged with and into the Plan. The transferred assets were moved out of the Western States Mechanical 401(k) Plan, Amteck, LLC 401(k) Plan, and MEP Holding Company 401(k) Plan effective December 31, 2022 but were not received into the accounts of the Plan until January 2023; therefore, total net assets transferred in the approximate amount of $33,713,000 are included as a receivable in the statements of net assets available for benefits at December 31, 2022.

**Contributions**

Participants may elect to contribute a pre-tax percentage up to 100% of their eligible compensation as defined by the Plan, and subject to the limits imposed by the Internal Revenue Code (IRC). Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Catch-up contributions can be a percentage or a specified dollar amount. Participants may also contribute amounts excluding Roth contributions, representing rollover distributions from other qualified plans.

The Plan permits the Company to automatically enroll newly hired employees into the Plan with an automatic contribution of 3% of eligible compensation. Employees receive notice before the automatic contribution begins. An employee may opt out of the automatic enrollment by either electing not to contribute or electing a different contribution percentage. If the employee does not direct their contributions, amounts will be invested in a Vanguard Target Retirement Trust II Fund based on the employee's age and target retirement date.

The Company may make a discretionary regular matching contribution for each payroll period equal to a uniform percentage of participant contributions, excluding catch-up contributions. During 2022, the Company elected to match $0.50 on each dollar of contributions up to 5% of eligible compensation. The Company shall make a true-up matching contribution on a plan year basis on behalf of each participant. For the year ended December 31, 2022, the Company made a true-up matching contribution in the amount of $590,549. The Company may also make additional discretionary qualified or nonelective contributions as defined in the Plan document. There were no additional discretionary qualified or nonelective contributions during 2022.

The Plan is participant directed and participants may change their contribution rate and investment options at any time.

## NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

### Participant Accounts

Each participant's account is credited with the participant's contribution and the Company's discretionary contributions, as well as allocations of Plan earnings. Participant accounts may be charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant's eligible compensation, earnings, account balances, or specific participant transactions as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### Notes Receivable from Participants

Participants may borrow from their accounts a minimum of $1,000 up to a maximum equal to the lesser of 50% of their vested account balance, or $50,000 less the participant's highest outstanding notes receivable balance during the preceding 12 months. Spousal consent is required on any withdrawals from the Plan that exceed $5,000. The notes are secured by the vested balance in the participant's account. The note term may not exceed five years, except for notes used for the purchase of a principal residence, which may be repaid in up to ten years.

The interest rate is fixed at the time of borrowing and shall be a reasonable rate of interest as determined by the plan administrator at the date of the loan. Principal and interest are paid ratably through payroll deductions. Participants may only have one loan outstanding at a time unless a participant had multiple loans transferred in from a merged plan.

### Vesting

Participants are at all times 100% vested in their contributions and discretionary qualified contributions, if any, and the appreciation or depreciation thereon. A participant is 20% vested in discretionary regular matching, true-up matching, and nonelective contributions after one year (1,000 hours of service in a plan year) and an additional 20% for each year thereafter becoming 100% vested after five years of service. An eligible participant of Eastern Heating and Cooling, Inc., a subsidiary of the Company, who meets certain classification requirements shall be 100% vested in all contributions at all times. Participants are immediately vested upon attainment of the participant's early retirement date, normal retirement date, death, or disability.

### Payment of Benefits

Normal retirement age under the Plan is 59½. Early retirement is permitted at age 55, provided the participant has at least five years of service. On termination of service due to death, disability, or retirement, the Plan permits the participant or their beneficiary to receive their benefits under the Plan in the form of either a single lump-sum cash payment, installment payments over a period not exceeding the participant's life expectancy, or in the form of an annuity contract purchased from an insurance company. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. Certain in-service and hardship withdrawals are also allowed under the Plan.

## NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

### Forfeited Accounts

Forfeitures occur when a participant terminates employment before becoming 100% vested with respect to their Company discretionary regular matching, true-up matching, and nonelective contributions. Forfeitures shall first be used to pay administrative expenses of the Plan and then to reduce Company discretionary contributions.

At December 31, 2022 and 2021, forfeited unallocated nonvested accounts totaled $574,749 and $1,585,631, respectively. Forfeitures of $631,117 and $656,984 were used to reduce Company discretionary regular matching contributions and pay administrative expenses, respectively, during 2022.

### Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. Upon Plan termination, participants would become 100% vested and receive benefits based on their account balances accumulated to the date of termination of the Plan.

## NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The financial statements of the Plan have been prepared on the accrual basis of accounting.

### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

### Investments

Investments are reported at fair value, except the fully benefit-responsive investment contract, which is reported at contract value (see Note 4). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by the trustee and EAIC. See Note 3 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

## NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

### Administrative Expenses

Certain administrative expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Participants are responsible for fees associated with transactions such as loan originations, account maintenance, distributions, and withdrawals, which are included in administrative expenses. Investment-related expenses are included in net depreciation in fair value of investments.

### Payment of Benefits

Benefits are recorded when paid.

## NOTE 3 - FAIR VALUE MEASUREMENTS

Various inputs are used in determining the fair value of the Plan's investments. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy, including the types of Plan investments that fall under each category and the valuation methodologies used to measure fair value, are described below:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

*Mutual Funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Self-Directed Brokerage Account:* Consists primarily of common stocks, which are valued at the closing price reported on the active market on which the individual securities are traded.

*Level 2* - Inputs to the valuation methodology are other than quoted market prices in active markets that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets; quoted prices that are in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)**

*Pooled Separate Accounts:* Valued at the daily closing net unit value ("NUV") as determined by EAIC. The fair value of these investments is determined by reference to the respective account's underlying assets, with EAIC specifying the source(s) to use for underlying investment asset prices. The investments underlying the Plan's pooled separate accounts primarily include domestic and international equities and domestic fixed-income securities. The NUV price of the pooled separate accounts is not quoted on any market; however, the NUV is based on the underlying investments, which are traded in an active market. There are no redemption restrictions or obligations to further invest in the accounts.

*Collective Investment Trusts*: Valued at NAV as determined by Vanguard Fiduciary Trust Company. The fair value of these investments is determined by the respective account's underlying assets, which primarily consist of fixed income and equity securities which are traded in an active market. There are no redemption restrictions or obligations to further invest in the trusts.

*Level 3* - Inputs to the valuation methodology are unobservable inputs (i.e., projections, estimates, interpretations, etc.) that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The inputs and methodologies used for valuing securities are not an indication of the risk associated with investing in those securities. There have been no changes in the methodologies used at December 31, 2022 or 2021.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2022 and 2021:

| | December 31, 2022 | | | |
|---|---|---|---|---|
| Description | Level 1 | Level 2 | Level 3 | Total |
| Mutual Funds | $218,710,786 | | | $218,710,786 |
| Pooled Separate Accounts | | $104,108,095 | | 104,108,095 |
| Collective Investment Trusts | | 314,296,663 | | 314,296,663 |
| Self-Directed Brokerage Account | 742,193 | | | 742,193 |
| Total investments at fair value | $219,452,979 | $418,404,758 | | $637,857,737 |

**NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)**

| | December 31, 2021 | | | |
|---|---|---|---|---|
| Description | Level 1 | Level 2 | Level 3 | Total |
| Mutual Funds | $226,886,924 | | | $226,886,924 |
| Pooled Separate Accounts | | $143,436,535 | | 143,436,535 |
| Collective Investment Trusts | | 363,350,654 | | 363,350,654 |
| Self-Directed Brokerage Account | 1,099,278 | | | 1,099,278 |
| Total investments at fair value | $227,986,202 | $506,787,189 | | $734,773,391 |

**NOTE 4 - GUARANTEED INCOME FUND**

The Plan invests in the EAIC Guaranteed Income Fund (GIF). The GIF is a broadly diversified, fixed-income portfolio within EAIC's general account that meets the fully benefit-responsive investment contract criteria and, therefore, is reported at contract value. Contract value is the relevant measurement for fully benefit-responsive investment contracts because this is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

Contract value, as reported to the Plan by EAIC, represents contributions made under the contract, plus earnings at guaranteed crediting rates, less participant withdrawals and administrative fees. The concept of a value other than contract value does not apply to the contract even upon a discontinuance of the contract. Participants may direct the withdrawal or transfer of all or a portion of their account balance at contract value.

Interest is credited on the balance using a single "portfolio rate" approach. Under this methodology, a single interest-crediting rate is applied to all contributions made to the contract regardless of the timing of those contributions. Interest-crediting rates are reviewed on a semi-annual basis for resetting. When establishing interest crediting rates for this product, EAIC considers many factors, including current economic and market conditions, the general interest rate environment, and both the expected and actual experience of a reference portfolio within the issuer's general account. These rates are established without the use of a specific formula. The minimum crediting rate under the contract is 1.50%.

Generally, there are not any events that could limit the ability of the Plan to transact at contract value paid within 90 days or, in rare circumstances, contract value paid over time. There are also no events that allow the issuer to terminate the contract and which require the plan sponsor to settle at an amount different than contract value paid either within 90 days or over time.

## NOTE 5 - INFORMATION CERTIFIED

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, PB&T, the trustee of the Plan, and EAIC, an insurance company, have certified to the completeness and accuracy of all investments and notes receivable from participants reflected in the accompanying statements of net assets available for benefits as of December 31, 2022 and 2021, and the schedule H, line 4i - schedule of assets (held at end of year) as of December 31, 2022, and the related investment income (loss) and interest income on notes receivable from participants reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2022.

## NOTE 6 - PARTY IN INTEREST

The Plan invests in pooled separate accounts and a guaranteed income fund managed by EAIC, an affiliate of the trustee; therefore, these investments qualify as party-in-interest transactions. Notes receivable from participants also qualify as party-in-interest transactions. These transactions are covered by an exemption from the prohibited transaction provisions.

## NOTE 7 - RISKS AND UNCERTAINTIES

The Plan provides for various investments. In general, such investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

## NOTE 8 - TAX STATUS

The Plan obtained its latest determination letter on June 30, 2020, in which the IRS stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. The Plan has been amended since receiving the determination letter; however, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, contributions to the Plan and earnings from its assets are not currently taxable to the Plan or its participants.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan to determine if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022 and 2021, there are no uncertain positions taken or expected to be taken. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

## NOTE 9 - SUBSEQUENT EVENTS

The Plan had various acquisitions during 2022. As a result, the company listed below became a participating employer of the Plan in 2023 and the following plan merged into the Plan during 2023, transferring approximately $7,970,000 in the Plan assets, which includes approximately $218,000 in transferred loans:

| Company | Date | Plan Name | Plan Assets |
|---|---|---|---|
| Atlantic Electric, LLC | January 17, 2023 | Atlantic Electric 401(k) Plan | $7,970,247 |

Management has evaluated subsequent events through October 16, 2023, the date the financial statements were available to be issued.

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**EIN: 76-0526487 PLAN #001**
**SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS**
**For the Year Ended December 31, 2022**

| Participant Contributions Transferred Late To The Plan | Total That Constitutes Nonexempt Prohibited Transactions | | | Total Fully Corrected Under VFCP and PTE 2002-51 |
|---|---|---|---|---|
| Check here if late participant loan repayments are included: X | Contributions Not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Correction in VFCP | |
| $ 90,092 | | $ 90,092 | | |

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**EIN: 76-0526487 PLAN #001**
**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**
**December 31, 2022**

| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | **Mutual Funds:** | | | |
| | American Funds | American Balanced Fund | ** | $ 28,968,722 |
| | Fidelity | Low-Priced Stock Fund | ** | 35,116,715 |
| | T. Rowe Price | Small-Cap Stock Fund | ** | 37,783,019 |
| | Vanguard | Total Stock Market Index Fund | ** | 57,761,807 |
| | Vanguard | Total International Stock Index Fund | ** | 11,293,124 |
| | Vanguard | Total Bond Market Index Fund | ** | 12,769,109 |
| | Vanguard | Equity-Income Fund | ** | 35,018,290 |
| | | | | 218,710,786 |
| | **Pooled Separate Accounts:** | | | |
| * | Empower Annuity Insurance Company | Prudential Day One IncomeFlex Target Balanced Fund | ** | 282,512 |
| | | Large Cap Growth II Fund/AB | ** | 77,955,653 |
| | | Core Plus Bond/PGIM Fund | ** | 9,045,632 |
| | | International Blend Fund/Wellington | ** | 16,824,298 |
| | | | | 104,108,095 |
| | **Collective Investment Trusts:** | | | |
| | Vanguard | Target Retirement Income Trust II | ** | 9,080,123 |
| | Vanguard | Target Retirement 2020 Trust II | ** | 17,885,445 |
| | Vanguard | Target Retirement 2025 Trust II | ** | 45,376,580 |
| | Vanguard | Target Retirement 2030 Trust II | ** | 53,581,940 |
| | Vanguard | Target Retirement 2035 Trust II | ** | 45,913,688 |
| | Vanguard | Target Retirement 2040 Trust II | ** | 41,025,770 |
| | Vanguard | Target Retirement 2045 Trust II | ** | 36,779,226 |
| | Vanguard | Target Retirement 2050 Trust II | ** | 31,320,215 |
| | Vanguard | Target Retirement 2055 Trust II | ** | 18,102,918 |
| | Vanguard | Target Retirement 2060 Trust II | ** | 10,589,199 |
| | Vanguard | Target Retirement 2065 Trust II | ** | 4,641,559 |
| | | | | 314,296,663 |

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**EIN: 76-0526487 PLAN #001**
**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**
**(CONTINUED)**
**December 31, 2022**

| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | **Self-Directed Brokerage Account** | | ** | $ 742,193 |
| | **Insurance Company General Account:** | | | |
| * | Empower Annuity Insurance Company | Guaranteed Income Fund | ** | 106,059,795 |
| * | **Participant Loans** | 3.25% - 8.25% | 0 | 13,058,784 |
| | | | | **$ 756,976,316** |

* A party in interest as defined by ERISA.

** Cost omitted for participant-directed investments.

# COMFORT SYSTEMS USA, INC.
# 401(k) PLAN

FINANCIAL STATEMENTS

AND SUPPLEMENTAL SCHEDULES

AS OF

DECEMBER 31, 2022 AND 2021

AND INDEPENDENT AUDITOR'S REPORT



MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

# COMFORT SYSTEMS USA, INC. 401(k) PLAN

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MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

# INDEPENDENT AUDITOR'S REPORT

To the Investment Committee of
**Comfort Systems USA, Inc. 401(k) Plan**

***Scope and Nature of the ERISA Section 103(a)(3)(C) Audit***

We have performed audits of the financial statements of Comfort Systems USA, Inc. 401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 5 to the financial statements, is complete and accurate.

***Opinion***

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

6002 Rogerdale, Ste. 200 Houston, Texas 77072 Tel 281-759-1120 Fax 281-759-5500

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Matter — Supplemental Schedules Required by ERISA***

The supplemental schedule H, line 4i - schedule of assets (held at end of year) as of December 31, 2022 and schedule H, line 4a - schedule of delinquent participant contributions for the year ended December 31, 2022 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Melton & Melton, LLP

Houston, Texas
October 16, 2023

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**
**December 31, 2022 and 2021**

| | 2022 | 2021 |
|---|---|---|
| Investments, at fair value | $ 637,857,737 | $ 734,773,391 |
| Investments, at contract value | 106,059,795 | 92,701,982 |
| Cash, noninterest bearing | 57 | 282 |
| Receivables: | | |
| Employer contributions | 1,387,393 | 1,113,130 |
| Participant contributions | 2,180,710 | 1,664,677 |
| Notes receivable from participants | 13,058,784 | 11,667,532 |
| Transfer of assets from merged plans | 33,713,338 | 9,617,848 |
| Total receivables | 50,340,225 | 24,063,187 |
| Net assets available for benefits | **$ 794,257,814** | **$ 851,538,842** |

(See accompanying notes to financial statements)

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**
**For the Year Ended December 31, 2022**

| | |
|---|---|
| Investment income (loss): | |
| Interest and dividend income | $ 4,935,647 |
| Net depreciation in fair value of investments | (134,714,895) |
| | (129,779,248) |
| Interest income on notes receivable from participants | 537,041 |
| Contributions: | |
| Participant | 48,222,637 |
| Rollover | 4,099,780 |
| Employer | 16,662,542 |
| | 68,984,959 |
| Benefits paid to participants | (65,556,487) |
| Administrative expenses | (932,771) |
| | (66,489,258) |
| Change in net assets available for benefits | (126,746,506) |
| Transfer of net assets into Plan | 69,465,478 |
| Net assets available for benefits at: | |
| Beginning of year | 851,538,842 |
| End of year | **$ 794,257,814** |

(See accompanying notes to financial statements)

# COMFORT SYSTEMS USA, INC. 401(k) PLAN
# NOTES TO FINANCIAL STATEMENTS
# December 31, 2022 and 2021

## NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the Comfort Systems USA, Inc. 401(k) Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

The Plan was amended and restated effective January 1, 2022 to adopt a pre-approved defined contribution plan document, as well as, consolidate all amendments and legislative and regulatory updates into one Plan document, and amend eligibility provisions to exclude seasonal and temporary employees with less than 1,000 hours of service in a plan year from being eligible to enroll in the Plan.

### Plan Administration

On April 1, 2022, Empower Annuity Insurance Company of America, formerly known as Great-West Life and Annuity Insurance Company, the parent company of Empower Retirement, LLC ("Empower") acquired the full-service retirement business of Prudential Financial, Inc. In correction with the transaction, Prudential Retirement Insurance and Annuity Company ("PRIAC") and Prudential Bank & Trust, FSB ("PB&T") were acquired by Empower. On October 3, 2022, PRIAC was named Empower Annuity Insurance Company ("EAIC").

### General

The Plan is a defined contribution plan and is subject to the Employee Retirement Income Security Act of 1974 (ERISA). The Plan covers all employees of Comfort Systems USA, Inc. and Subsidiaries (collectively, the "Company"), except employees covered by a collective bargaining agreement (CBA), unless the CBA provides for coverage under the Plan, leased employees, nonresident aliens without United States source income, self-employed individuals, contract employees, and seasonal and temporary employees with less than 1,000 hours of service in a plan year. Eligible employees may join the Plan on the first day of the month coincident with or immediately following the date of hire. Employees of the Company are eligible to receive the Company's discretionary regular matching contributions immediately upon contributing, as defined in the Plan.

### Plan Mergers

The Company acquired TEC Industrial during 2022. As part of the amended and restated Plan document, effective January 1, 2022, TEC Industrial became a participating employer of the Plan and the TEC Industrial Profit Sharing and 401(k) Plan (TEC Industrial Plan) merged with and into the Plan. The transferred net assets were moved out of the TEC Industrial Plan effective December 31, 2021 but were not received into the accounts of the Plan until January 2022; therefore, total net assets transferred in the approximate amount of $9,617,000 are included as a receivable in the statements of net assets available for benefits at December 31, 2021.

Effective December 1, 2022, Ivey became a participating employer of the Plan and the Ivey 401(k) Plan merges with and into the Plan. Total net assets of approximately $34,914,000 were transferred into the Plan.

**NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)**

The Company acquired Western States Mechanical, Inc., Amteck, LLC, and MEP Holding Company, Inc. during 2022. Western States Mechanical, Inc., Amteck, LLC, and MEP Holding Company, Inc. became participating employers of the Plan effective January 2023 and the Western States Mechanical 401(k) Plan, Amteck, LLC 401(k) Plan, and MEP Holding Company 401(k) Plan merged with and into the Plan. The transferred assets were moved out of the Western States Mechanical 401(k) Plan, Amteck, LLC 401(k) Plan, and MEP Holding Company 401(k) Plan effective December 31, 2022 but were not received into the accounts of the Plan until January 2023; therefore, total net assets transferred in the approximate amount of $33,713,000 are included as a receivable in the statements of net assets available for benefits at December 31, 2022.

**Contributions**

Participants may elect to contribute a pre-tax percentage up to 100% of their eligible compensation as defined by the Plan, and subject to the limits imposed by the Internal Revenue Code (IRC). Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Catch-up contributions can be a percentage or a specified dollar amount. Participants may also contribute amounts excluding Roth contributions, representing rollover distributions from other qualified plans.

The Plan permits the Company to automatically enroll newly hired employees into the Plan with an automatic contribution of 3% of eligible compensation. Employees receive notice before the automatic contribution begins. An employee may opt out of the automatic enrollment by either electing not to contribute or electing a different contribution percentage. If the employee does not direct their contributions, amounts will be invested in a Vanguard Target Retirement Trust II Fund based on the employee's age and target retirement date.

The Company may make a discretionary regular matching contribution for each payroll period equal to a uniform percentage of participant contributions, excluding catch-up contributions. During 2022, the Company elected to match $0.50 on each dollar of contributions up to 5% of eligible compensation. The Company shall make a true-up matching contribution on a plan year basis on behalf of each participant. For the year ended December 31, 2022, the Company made a true-up matching contribution in the amount of $590,549. The Company may also make additional discretionary qualified or nonelective contributions as defined in the Plan document. There were no additional discretionary qualified or nonelective contributions during 2022.

The Plan is participant directed and participants may change their contribution rate and investment options at any time.

## NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

### Participant Accounts

Each participant's account is credited with the participant's contribution and the Company's discretionary contributions, as well as allocations of Plan earnings. Participant accounts may be charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant's eligible compensation, earnings, account balances, or specific participant transactions as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### Notes Receivable from Participants

Participants may borrow from their accounts a minimum of $1,000 up to a maximum equal to the lesser of 50% of their vested account balance, or $50,000 less the participant's highest outstanding notes receivable balance during the preceding 12 months. Spousal consent is required on any withdrawals from the Plan that exceed $5,000. The notes are secured by the vested balance in the participant's account. The note term may not exceed five years, except for notes used for the purchase of a principal residence, which may be repaid in up to ten years.

The interest rate is fixed at the time of borrowing and shall be a reasonable rate of interest as determined by the plan administrator at the date of the loan. Principal and interest are paid ratably through payroll deductions. Participants may only have one loan outstanding at a time unless a participant had multiple loans transferred in from a merged plan.

### Vesting

Participants are at all times 100% vested in their contributions and discretionary qualified contributions, if any, and the appreciation or depreciation thereon. A participant is 20% vested in discretionary regular matching, true-up matching, and nonelective contributions after one year (1,000 hours of service in a plan year) and an additional 20% for each year thereafter becoming 100% vested after five years of service. An eligible participant of Eastern Heating and Cooling, Inc., a subsidiary of the Company, who meets certain classification requirements shall be 100% vested in all contributions at all times. Participants are immediately vested upon attainment of the participant's early retirement date, normal retirement date, death, or disability.

### Payment of Benefits

Normal retirement age under the Plan is 59½. Early retirement is permitted at age 55, provided the participant has at least five years of service. On termination of service due to death, disability, or retirement, the Plan permits the participant or their beneficiary to receive their benefits under the Plan in the form of either a single lump-sum cash payment, installment payments over a period not exceeding the participant's life expectancy, or in the form of an annuity contract purchased from an insurance company. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. Certain in-service and hardship withdrawals are also allowed under the Plan.

## NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

### Forfeited Accounts

Forfeitures occur when a participant terminates employment before becoming 100% vested with respect to their Company discretionary regular matching, true-up matching, and nonelective contributions. Forfeitures shall first be used to pay administrative expenses of the Plan and then to reduce Company discretionary contributions.

At December 31, 2022 and 2021, forfeited unallocated nonvested accounts totaled $574,749 and $1,585,631, respectively. Forfeitures of $631,117 and $656,984 were used to reduce Company discretionary regular matching contributions and pay administrative expenses, respectively, during 2022.

### Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. Upon Plan termination, participants would become 100% vested and receive benefits based on their account balances accumulated to the date of termination of the Plan.

## NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The financial statements of the Plan have been prepared on the accrual basis of accounting.

### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

### Investments

Investments are reported at fair value, except the fully benefit-responsive investment contract, which is reported at contract value (see Note 4). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by the trustee and EAIC. See Note 3 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

## NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

### Administrative Expenses

Certain administrative expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Participants are responsible for fees associated with transactions such as loan originations, account maintenance, distributions, and withdrawals, which are included in administrative expenses. Investment-related expenses are included in net depreciation in fair value of investments.

### Payment of Benefits

Benefits are recorded when paid.

## NOTE 3 - FAIR VALUE MEASUREMENTS

Various inputs are used in determining the fair value of the Plan's investments. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy, including the types of Plan investments that fall under each category and the valuation methodologies used to measure fair value, are described below:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

*Mutual Funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Self-Directed Brokerage Account:* Consists primarily of common stocks, which are valued at the closing price reported on the active market on which the individual securities are traded.

*Level 2* - Inputs to the valuation methodology are other than quoted market prices in active markets that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets; quoted prices that are in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)**

*Pooled Separate Accounts:* Valued at the daily closing net unit value ("NUV") as determined by EAIC. The fair value of these investments is determined by reference to the respective account's underlying assets, with EAIC specifying the source(s) to use for underlying investment asset prices. The investments underlying the Plan's pooled separate accounts primarily include domestic and international equities and domestic fixed-income securities. The NUV price of the pooled separate accounts is not quoted on any market; however, the NUV is based on the underlying investments, which are traded in an active market. There are no redemption restrictions or obligations to further invest in the accounts.

*Collective Investment Trusts*: Valued at NAV as determined by Vanguard Fiduciary Trust Company. The fair value of these investments is determined by the respective account's underlying assets, which primarily consist of fixed income and equity securities which are traded in an active market. There are no redemption restrictions or obligations to further invest in the trusts.

*Level 3* - Inputs to the valuation methodology are unobservable inputs (i.e., projections, estimates, interpretations, etc.) that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The inputs and methodologies used for valuing securities are not an indication of the risk associated with investing in those securities. There have been no changes in the methodologies used at December 31, 2022 or 2021.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2022 and 2021:

| | December 31, 2022 | | | |
|---|---|---|---|---|
| Description | Level 1 | Level 2 | Level 3 | Total |
| Mutual Funds | $218,710,786 | | | $218,710,786 |
| Pooled Separate Accounts | | $104,108,095 | | 104,108,095 |
| Collective Investment Trusts | | 314,296,663 | | 314,296,663 |
| Self-Directed Brokerage Account | 742,193 | | | 742,193 |
| Total investments at fair value | $219,452,979 | $418,404,758 | | $637,857,737 |

**NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)**

| | December 31, 2021 | | | |
|---|---|---|---|---|
| Description | Level 1 | Level 2 | Level 3 | Total |
| Mutual Funds | $226,886,924 | | | $226,886,924 |
| Pooled Separate Accounts | | $143,436,535 | | 143,436,535 |
| Collective Investment Trusts | | 363,350,654 | | 363,350,654 |
| Self-Directed Brokerage Account | 1,099,278 | | | 1,099,278 |
| Total investments at fair value | $227,986,202 | $506,787,189 | | $734,773,391 |

**NOTE 4 - GUARANTEED INCOME FUND**

The Plan invests in the EAIC Guaranteed Income Fund (GIF). The GIF is a broadly diversified, fixed-income portfolio within EAIC's general account that meets the fully benefit-responsive investment contract criteria and, therefore, is reported at contract value. Contract value is the relevant measurement for fully benefit-responsive investment contracts because this is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

Contract value, as reported to the Plan by EAIC, represents contributions made under the contract, plus earnings at guaranteed crediting rates, less participant withdrawals and administrative fees. The concept of a value other than contract value does not apply to the contract even upon a discontinuance of the contract. Participants may direct the withdrawal or transfer of all or a portion of their account balance at contract value.

Interest is credited on the balance using a single "portfolio rate" approach. Under this methodology, a single interest-crediting rate is applied to all contributions made to the contract regardless of the timing of those contributions. Interest-crediting rates are reviewed on a semi-annual basis for resetting. When establishing interest crediting rates for this product, EAIC considers many factors, including current economic and market conditions, the general interest rate environment, and both the expected and actual experience of a reference portfolio within the issuer's general account. These rates are established without the use of a specific formula. The minimum crediting rate under the contract is 1.50%.

Generally, there are not any events that could limit the ability of the Plan to transact at contract value paid within 90 days or, in rare circumstances, contract value paid over time. There are also no events that allow the issuer to terminate the contract and which require the plan sponsor to settle at an amount different than contract value paid either within 90 days or over time.

## NOTE 5 - INFORMATION CERTIFIED

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, PB&T, the trustee of the Plan, and EAIC, an insurance company, have certified to the completeness and accuracy of all investments and notes receivable from participants reflected in the accompanying statements of net assets available for benefits as of December 31, 2022 and 2021, and the schedule H, line 4i - schedule of assets (held at end of year) as of December 31, 2022, and the related investment income (loss) and interest income on notes receivable from participants reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2022.

## NOTE 6 - PARTY IN INTEREST

The Plan invests in pooled separate accounts and a guaranteed income fund managed by EAIC, an affiliate of the trustee; therefore, these investments qualify as party-in-interest transactions. Notes receivable from participants also qualify as party-in-interest transactions. These transactions are covered by an exemption from the prohibited transaction provisions.

## NOTE 7 - RISKS AND UNCERTAINTIES

The Plan provides for various investments. In general, such investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

## NOTE 8 - TAX STATUS

The Plan obtained its latest determination letter on June 30, 2020, in which the IRS stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. The Plan has been amended since receiving the determination letter; however, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, contributions to the Plan and earnings from its assets are not currently taxable to the Plan or its participants.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan to determine if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022 and 2021, there are no uncertain positions taken or expected to be taken. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

## NOTE 9 - SUBSEQUENT EVENTS

The Plan had various acquisitions during 2022. As a result, the company listed below became a participating employer of the Plan in 2023 and the following plan merged into the Plan during 2023, transferring approximately $7,970,000 in the Plan assets, which includes approximately $218,000 in transferred loans:

| Company | Date | Plan Name | Plan Assets |
|---|---|---|---|
| Atlantic Electric, LLC | January 17, 2023 | Atlantic Electric 401(k) Plan | $7,970,247 |

Management has evaluated subsequent events through October 16, 2023, the date the financial statements were available to be issued.

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**EIN: 76-0526487 PLAN #001**
**SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS**
**For the Year Ended December 31, 2022**

| Participant Contributions Transferred Late To The Plan | Total That Constitutes Nonexempt Prohibited Transactions | | | Total Fully Corrected Under VFCP and PTE 2002-51 |
|---|---|---|---|---|
| Check here if late participant loan repayments are included: X | Contributions Not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Correction in VFCP | |
| $ 90,092 | | $ 90,092 | | |

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**EIN: 76-0526487 PLAN #001**
**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**
**December 31, 2022**

| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | **Mutual Funds:** | | | |
| | American Funds | American Balanced Fund | ** | $ 28,968,722 |
| | Fidelity | Low-Priced Stock Fund | ** | 35,116,715 |
| | T. Rowe Price | Small-Cap Stock Fund | ** | 37,783,019 |
| | Vanguard | Total Stock Market Index Fund | ** | 57,761,807 |
| | Vanguard | Total International Stock Index Fund | ** | 11,293,124 |
| | Vanguard | Total Bond Market Index Fund | ** | 12,769,109 |
| | Vanguard | Equity-Income Fund | ** | 35,018,290 |
| | | | | 218,710,786 |
| | **Pooled Separate Accounts:** | | | |
| * | Empower Annuity Insurance Company | Prudential Day One IncomeFlex Target Balanced Fund | ** | 282,512 |
| | | Large Cap Growth II Fund/AB | ** | 77,955,653 |
| | | Core Plus Bond/PGIM Fund | ** | 9,045,632 |
| | | International Blend Fund/Wellington | ** | 16,824,298 |
| | | | | 104,108,095 |
| | **Collective Investment Trusts:** | | | |
| | Vanguard | Target Retirement Income Trust II | ** | 9,080,123 |
| | Vanguard | Target Retirement 2020 Trust II | ** | 17,885,445 |
| | Vanguard | Target Retirement 2025 Trust II | ** | 45,376,580 |
| | Vanguard | Target Retirement 2030 Trust II | ** | 53,581,940 |
| | Vanguard | Target Retirement 2035 Trust II | ** | 45,913,688 |
| | Vanguard | Target Retirement 2040 Trust II | ** | 41,025,770 |
| | Vanguard | Target Retirement 2045 Trust II | ** | 36,779,226 |
| | Vanguard | Target Retirement 2050 Trust II | ** | 31,320,215 |
| | Vanguard | Target Retirement 2055 Trust II | ** | 18,102,918 |
| | Vanguard | Target Retirement 2060 Trust II | ** | 10,589,199 |
| | Vanguard | Target Retirement 2065 Trust II | ** | 4,641,559 |
| | | | | 314,296,663 |

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**EIN: 76-0526487 PLAN #001**
**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**
**(CONTINUED)**
**December 31, 2022**

| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | **Self-Directed Brokerage Account** | | ** | $ 742,193 |
| | **Insurance Company General Account:** | | | |
| * | Empower Annuity Insurance Company | Guaranteed Income Fund | ** | 106,059,795 |
| * | **Participant Loans** | 3.25% - 8.25% | 0 | 13,058,784 |
| | | | | **$ 756,976,316** |

* A party in interest as defined by ERISA.

** Cost omitted for participant-directed investments.

# COMFORT SYSTEMS USA, INC.
# 401(k) PLAN

FINANCIAL STATEMENTS

AND SUPPLEMENTAL SCHEDULES

AS OF

DECEMBER 31, 2022 AND 2021

AND INDEPENDENT AUDITOR'S REPORT



MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

# COMFORT SYSTEMS USA, INC. 401(k) PLAN

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MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

# INDEPENDENT AUDITOR'S REPORT

To the Investment Committee of
**Comfort Systems USA, Inc. 401(k) Plan**

***Scope and Nature of the ERISA Section 103(a)(3)(C) Audit***

We have performed audits of the financial statements of Comfort Systems USA, Inc. 401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 5 to the financial statements, is complete and accurate.

***Opinion***

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

6002 Rogerdale, Ste. 200 Houston, Texas 77072 Tel 281-759-1120 Fax 281-759-5500

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Matter — Supplemental Schedules Required by ERISA***

The supplemental schedule H, line 4i - schedule of assets (held at end of year) as of December 31, 2022 and schedule H, line 4a - schedule of delinquent participant contributions for the year ended December 31, 2022 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Melton & Melton, LLP

Houston, Texas
October 16, 2023

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**
**December 31, 2022 and 2021**

| | 2022 | 2021 |
|---|---|---|
| Investments, at fair value | $ 637,857,737 | $ 734,773,391 |
| Investments, at contract value | 106,059,795 | 92,701,982 |
| Cash, noninterest bearing | 57 | 282 |
| Receivables: | | |
| Employer contributions | 1,387,393 | 1,113,130 |
| Participant contributions | 2,180,710 | 1,664,677 |
| Notes receivable from participants | 13,058,784 | 11,667,532 |
| Transfer of assets from merged plans | 33,713,338 | 9,617,848 |
| Total receivables | 50,340,225 | 24,063,187 |
| Net assets available for benefits | **$ 794,257,814** | **$ 851,538,842** |

(See accompanying notes to financial statements)

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**
**For the Year Ended December 31, 2022**

| | |
|---|---|
| Investment income (loss): | |
| Interest and dividend income | $ 4,935,647 |
| Net depreciation in fair value of investments | (134,714,895) |
| | (129,779,248) |
| Interest income on notes receivable from participants | 537,041 |
| Contributions: | |
| Participant | 48,222,637 |
| Rollover | 4,099,780 |
| Employer | 16,662,542 |
| | 68,984,959 |
| Benefits paid to participants | (65,556,487) |
| Administrative expenses | (932,771) |
| | (66,489,258) |
| Change in net assets available for benefits | (126,746,506) |
| Transfer of net assets into Plan | 69,465,478 |
| Net assets available for benefits at: | |
| Beginning of year | 851,538,842 |
| End of year | **$ 794,257,814** |

(See accompanying notes to financial statements)

# COMFORT SYSTEMS USA, INC. 401(k) PLAN
# NOTES TO FINANCIAL STATEMENTS
# December 31, 2022 and 2021

## NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the Comfort Systems USA, Inc. 401(k) Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

The Plan was amended and restated effective January 1, 2022 to adopt a pre-approved defined contribution plan document, as well as, consolidate all amendments and legislative and regulatory updates into one Plan document, and amend eligibility provisions to exclude seasonal and temporary employees with less than 1,000 hours of service in a plan year from being eligible to enroll in the Plan.

### Plan Administration

On April 1, 2022, Empower Annuity Insurance Company of America, formerly known as Great-West Life and Annuity Insurance Company, the parent company of Empower Retirement, LLC ("Empower") acquired the full-service retirement business of Prudential Financial, Inc. In correction with the transaction, Prudential Retirement Insurance and Annuity Company ("PRIAC") and Prudential Bank & Trust, FSB ("PB&T") were acquired by Empower. On October 3, 2022, PRIAC was named Empower Annuity Insurance Company ("EAIC").

### General

The Plan is a defined contribution plan and is subject to the Employee Retirement Income Security Act of 1974 (ERISA). The Plan covers all employees of Comfort Systems USA, Inc. and Subsidiaries (collectively, the "Company"), except employees covered by a collective bargaining agreement (CBA), unless the CBA provides for coverage under the Plan, leased employees, nonresident aliens without United States source income, self-employed individuals, contract employees, and seasonal and temporary employees with less than 1,000 hours of service in a plan year. Eligible employees may join the Plan on the first day of the month coincident with or immediately following the date of hire. Employees of the Company are eligible to receive the Company's discretionary regular matching contributions immediately upon contributing, as defined in the Plan.

### Plan Mergers

The Company acquired TEC Industrial during 2022. As part of the amended and restated Plan document, effective January 1, 2022, TEC Industrial became a participating employer of the Plan and the TEC Industrial Profit Sharing and 401(k) Plan (TEC Industrial Plan) merged with and into the Plan. The transferred net assets were moved out of the TEC Industrial Plan effective December 31, 2021 but were not received into the accounts of the Plan until January 2022; therefore, total net assets transferred in the approximate amount of $9,617,000 are included as a receivable in the statements of net assets available for benefits at December 31, 2021.

Effective December 1, 2022, Ivey became a participating employer of the Plan and the Ivey 401(k) Plan merges with and into the Plan. Total net assets of approximately $34,914,000 were transferred into the Plan.

**NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)**

The Company acquired Western States Mechanical, Inc., Amteck, LLC, and MEP Holding Company, Inc. during 2022. Western States Mechanical, Inc., Amteck, LLC, and MEP Holding Company, Inc. became participating employers of the Plan effective January 2023 and the Western States Mechanical 401(k) Plan, Amteck, LLC 401(k) Plan, and MEP Holding Company 401(k) Plan merged with and into the Plan. The transferred assets were moved out of the Western States Mechanical 401(k) Plan, Amteck, LLC 401(k) Plan, and MEP Holding Company 401(k) Plan effective December 31, 2022 but were not received into the accounts of the Plan until January 2023; therefore, total net assets transferred in the approximate amount of $33,713,000 are included as a receivable in the statements of net assets available for benefits at December 31, 2022.

**Contributions**

Participants may elect to contribute a pre-tax percentage up to 100% of their eligible compensation as defined by the Plan, and subject to the limits imposed by the Internal Revenue Code (IRC). Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Catch-up contributions can be a percentage or a specified dollar amount. Participants may also contribute amounts excluding Roth contributions, representing rollover distributions from other qualified plans.

The Plan permits the Company to automatically enroll newly hired employees into the Plan with an automatic contribution of 3% of eligible compensation. Employees receive notice before the automatic contribution begins. An employee may opt out of the automatic enrollment by either electing not to contribute or electing a different contribution percentage. If the employee does not direct their contributions, amounts will be invested in a Vanguard Target Retirement Trust II Fund based on the employee's age and target retirement date.

The Company may make a discretionary regular matching contribution for each payroll period equal to a uniform percentage of participant contributions, excluding catch-up contributions. During 2022, the Company elected to match $0.50 on each dollar of contributions up to 5% of eligible compensation. The Company shall make a true-up matching contribution on a plan year basis on behalf of each participant. For the year ended December 31, 2022, the Company made a true-up matching contribution in the amount of $590,549. The Company may also make additional discretionary qualified or nonelective contributions as defined in the Plan document. There were no additional discretionary qualified or nonelective contributions during 2022.

The Plan is participant directed and participants may change their contribution rate and investment options at any time.

## NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

### Participant Accounts

Each participant's account is credited with the participant's contribution and the Company's discretionary contributions, as well as allocations of Plan earnings. Participant accounts may be charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant's eligible compensation, earnings, account balances, or specific participant transactions as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### Notes Receivable from Participants

Participants may borrow from their accounts a minimum of $1,000 up to a maximum equal to the lesser of 50% of their vested account balance, or $50,000 less the participant's highest outstanding notes receivable balance during the preceding 12 months. Spousal consent is required on any withdrawals from the Plan that exceed $5,000. The notes are secured by the vested balance in the participant's account. The note term may not exceed five years, except for notes used for the purchase of a principal residence, which may be repaid in up to ten years.

The interest rate is fixed at the time of borrowing and shall be a reasonable rate of interest as determined by the plan administrator at the date of the loan. Principal and interest are paid ratably through payroll deductions. Participants may only have one loan outstanding at a time unless a participant had multiple loans transferred in from a merged plan.

### Vesting

Participants are at all times 100% vested in their contributions and discretionary qualified contributions, if any, and the appreciation or depreciation thereon. A participant is 20% vested in discretionary regular matching, true-up matching, and nonelective contributions after one year (1,000 hours of service in a plan year) and an additional 20% for each year thereafter becoming 100% vested after five years of service. An eligible participant of Eastern Heating and Cooling, Inc., a subsidiary of the Company, who meets certain classification requirements shall be 100% vested in all contributions at all times. Participants are immediately vested upon attainment of the participant's early retirement date, normal retirement date, death, or disability.

### Payment of Benefits

Normal retirement age under the Plan is 59½. Early retirement is permitted at age 55, provided the participant has at least five years of service. On termination of service due to death, disability, or retirement, the Plan permits the participant or their beneficiary to receive their benefits under the Plan in the form of either a single lump-sum cash payment, installment payments over a period not exceeding the participant's life expectancy, or in the form of an annuity contract purchased from an insurance company. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. Certain in-service and hardship withdrawals are also allowed under the Plan.

## NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

### Forfeited Accounts

Forfeitures occur when a participant terminates employment before becoming 100% vested with respect to their Company discretionary regular matching, true-up matching, and nonelective contributions. Forfeitures shall first be used to pay administrative expenses of the Plan and then to reduce Company discretionary contributions.

At December 31, 2022 and 2021, forfeited unallocated nonvested accounts totaled $574,749 and $1,585,631, respectively. Forfeitures of $631,117 and $656,984 were used to reduce Company discretionary regular matching contributions and pay administrative expenses, respectively, during 2022.

### Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. Upon Plan termination, participants would become 100% vested and receive benefits based on their account balances accumulated to the date of termination of the Plan.

## NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The financial statements of the Plan have been prepared on the accrual basis of accounting.

### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

### Investments

Investments are reported at fair value, except the fully benefit-responsive investment contract, which is reported at contract value (see Note 4). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by the trustee and EAIC. See Note 3 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

## NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

### Administrative Expenses

Certain administrative expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Participants are responsible for fees associated with transactions such as loan originations, account maintenance, distributions, and withdrawals, which are included in administrative expenses. Investment-related expenses are included in net depreciation in fair value of investments.

### Payment of Benefits

Benefits are recorded when paid.

## NOTE 3 - FAIR VALUE MEASUREMENTS

Various inputs are used in determining the fair value of the Plan's investments. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy, including the types of Plan investments that fall under each category and the valuation methodologies used to measure fair value, are described below:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

*Mutual Funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Self-Directed Brokerage Account:* Consists primarily of common stocks, which are valued at the closing price reported on the active market on which the individual securities are traded.

*Level 2* - Inputs to the valuation methodology are other than quoted market prices in active markets that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets; quoted prices that are in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)**

*Pooled Separate Accounts:* Valued at the daily closing net unit value ("NUV") as determined by EAIC. The fair value of these investments is determined by reference to the respective account's underlying assets, with EAIC specifying the source(s) to use for underlying investment asset prices. The investments underlying the Plan's pooled separate accounts primarily include domestic and international equities and domestic fixed-income securities. The NUV price of the pooled separate accounts is not quoted on any market; however, the NUV is based on the underlying investments, which are traded in an active market. There are no redemption restrictions or obligations to further invest in the accounts.

*Collective Investment Trusts*: Valued at NAV as determined by Vanguard Fiduciary Trust Company. The fair value of these investments is determined by the respective account's underlying assets, which primarily consist of fixed income and equity securities which are traded in an active market. There are no redemption restrictions or obligations to further invest in the trusts.

*Level 3* - Inputs to the valuation methodology are unobservable inputs (i.e., projections, estimates, interpretations, etc.) that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The inputs and methodologies used for valuing securities are not an indication of the risk associated with investing in those securities. There have been no changes in the methodologies used at December 31, 2022 or 2021.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2022 and 2021:

| | December 31, 2022 | | | |
|---|---|---|---|---|
| Description | Level 1 | Level 2 | Level 3 | Total |
| Mutual Funds | $218,710,786 | | | $218,710,786 |
| Pooled Separate Accounts | | $104,108,095 | | 104,108,095 |
| Collective Investment Trusts | | 314,296,663 | | 314,296,663 |
| Self-Directed Brokerage Account | 742,193 | | | 742,193 |
| Total investments at fair value | $219,452,979 | $418,404,758 | | $637,857,737 |

**NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)**

| | December 31, 2021 | | | |
|---|---|---|---|---|
| Description | Level 1 | Level 2 | Level 3 | Total |
| Mutual Funds | $226,886,924 | | | $226,886,924 |
| Pooled Separate Accounts | | $143,436,535 | | 143,436,535 |
| Collective Investment Trusts | | 363,350,654 | | 363,350,654 |
| Self-Directed Brokerage Account | 1,099,278 | | | 1,099,278 |
| Total investments at fair value | $227,986,202 | $506,787,189 | | $734,773,391 |

**NOTE 4 - GUARANTEED INCOME FUND**

The Plan invests in the EAIC Guaranteed Income Fund (GIF). The GIF is a broadly diversified, fixed-income portfolio within EAIC's general account that meets the fully benefit-responsive investment contract criteria and, therefore, is reported at contract value. Contract value is the relevant measurement for fully benefit-responsive investment contracts because this is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

Contract value, as reported to the Plan by EAIC, represents contributions made under the contract, plus earnings at guaranteed crediting rates, less participant withdrawals and administrative fees. The concept of a value other than contract value does not apply to the contract even upon a discontinuance of the contract. Participants may direct the withdrawal or transfer of all or a portion of their account balance at contract value.

Interest is credited on the balance using a single "portfolio rate" approach. Under this methodology, a single interest-crediting rate is applied to all contributions made to the contract regardless of the timing of those contributions. Interest-crediting rates are reviewed on a semi-annual basis for resetting. When establishing interest crediting rates for this product, EAIC considers many factors, including current economic and market conditions, the general interest rate environment, and both the expected and actual experience of a reference portfolio within the issuer's general account. These rates are established without the use of a specific formula. The minimum crediting rate under the contract is 1.50%.

Generally, there are not any events that could limit the ability of the Plan to transact at contract value paid within 90 days or, in rare circumstances, contract value paid over time. There are also no events that allow the issuer to terminate the contract and which require the plan sponsor to settle at an amount different than contract value paid either within 90 days or over time.

## NOTE 5 - INFORMATION CERTIFIED

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, PB&T, the trustee of the Plan, and EAIC, an insurance company, have certified to the completeness and accuracy of all investments and notes receivable from participants reflected in the accompanying statements of net assets available for benefits as of December 31, 2022 and 2021, and the schedule H, line 4i - schedule of assets (held at end of year) as of December 31, 2022, and the related investment income (loss) and interest income on notes receivable from participants reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2022.

## NOTE 6 - PARTY IN INTEREST

The Plan invests in pooled separate accounts and a guaranteed income fund managed by EAIC, an affiliate of the trustee; therefore, these investments qualify as party-in-interest transactions. Notes receivable from participants also qualify as party-in-interest transactions. These transactions are covered by an exemption from the prohibited transaction provisions.

## NOTE 7 - RISKS AND UNCERTAINTIES

The Plan provides for various investments. In general, such investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

## NOTE 8 - TAX STATUS

The Plan obtained its latest determination letter on June 30, 2020, in which the IRS stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. The Plan has been amended since receiving the determination letter; however, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, contributions to the Plan and earnings from its assets are not currently taxable to the Plan or its participants.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan to determine if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022 and 2021, there are no uncertain positions taken or expected to be taken. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

## NOTE 9 - SUBSEQUENT EVENTS

The Plan had various acquisitions during 2022. As a result, the company listed below became a participating employer of the Plan in 2023 and the following plan merged into the Plan during 2023, transferring approximately $7,970,000 in the Plan assets, which includes approximately $218,000 in transferred loans:

| Company | Date | Plan Name | Plan Assets |
|---|---|---|---|
| Atlantic Electric, LLC | January 17, 2023 | Atlantic Electric 401(k) Plan | $7,970,247 |

Management has evaluated subsequent events through October 16, 2023, the date the financial statements were available to be issued.

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**EIN: 76-0526487 PLAN #001**
**SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS**
**For the Year Ended December 31, 2022**

| Participant Contributions Transferred Late To The Plan | Total That Constitutes Nonexempt Prohibited Transactions | | | Total Fully Corrected Under VFCP and PTE 2002-51 |
|---|---|---|---|---|
| Check here if late participant loan repayments are included: X | Contributions Not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Correction in VFCP | |
| $ 90,092 | | $ 90,092 | | |

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**EIN: 76-0526487 PLAN #001**
**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**
**December 31, 2022**

| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | **Mutual Funds:** | | | |
| | American Funds | American Balanced Fund | ** | $ 28,968,722 |
| | Fidelity | Low-Priced Stock Fund | ** | 35,116,715 |
| | T. Rowe Price | Small-Cap Stock Fund | ** | 37,783,019 |
| | Vanguard | Total Stock Market Index Fund | ** | 57,761,807 |
| | Vanguard | Total International Stock Index Fund | ** | 11,293,124 |
| | Vanguard | Total Bond Market Index Fund | ** | 12,769,109 |
| | Vanguard | Equity-Income Fund | ** | 35,018,290 |
| | | | | 218,710,786 |
| | **Pooled Separate Accounts:** | | | |
| * | Empower Annuity Insurance Company | Prudential Day One IncomeFlex Target Balanced Fund | ** | 282,512 |
| | | Large Cap Growth II Fund/AB | ** | 77,955,653 |
| | | Core Plus Bond/PGIM Fund | ** | 9,045,632 |
| | | International Blend Fund/Wellington | ** | 16,824,298 |
| | | | | 104,108,095 |
| | **Collective Investment Trusts:** | | | |
| | Vanguard | Target Retirement Income Trust II | ** | 9,080,123 |
| | Vanguard | Target Retirement 2020 Trust II | ** | 17,885,445 |
| | Vanguard | Target Retirement 2025 Trust II | ** | 45,376,580 |
| | Vanguard | Target Retirement 2030 Trust II | ** | 53,581,940 |
| | Vanguard | Target Retirement 2035 Trust II | ** | 45,913,688 |
| | Vanguard | Target Retirement 2040 Trust II | ** | 41,025,770 |
| | Vanguard | Target Retirement 2045 Trust II | ** | 36,779,226 |
| | Vanguard | Target Retirement 2050 Trust II | ** | 31,320,215 |
| | Vanguard | Target Retirement 2055 Trust II | ** | 18,102,918 |
| | Vanguard | Target Retirement 2060 Trust II | ** | 10,589,199 |
| | Vanguard | Target Retirement 2065 Trust II | ** | 4,641,559 |
| | | | | 314,296,663 |

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**EIN: 76-0526487 PLAN #001**
**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**
**(CONTINUED)**
**December 31, 2022**

| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | **Self-Directed Brokerage Account** | | ** | $ 742,193 |
| | **Insurance Company General Account:** | | | |
| * | Empower Annuity Insurance Company | Guaranteed Income Fund | ** | 106,059,795 |
| * | **Participant Loans** | 3.25% - 8.25% | 0 | 13,058,784 |
| | | | | **$ 756,976,316** |

* A party in interest as defined by ERISA.

** Cost omitted for participant-directed investments.

# COMFORT SYSTEMS USA, INC.
# 401(k) PLAN

FINANCIAL STATEMENTS

AND SUPPLEMENTAL SCHEDULES

AS OF

DECEMBER 31, 2022 AND 2021

AND INDEPENDENT AUDITOR'S REPORT



MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

# COMFORT SYSTEMS USA, INC. 401(k) PLAN

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MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

# INDEPENDENT AUDITOR'S REPORT

To the Investment Committee of
**Comfort Systems USA, Inc. 401(k) Plan**

***Scope and Nature of the ERISA Section 103(a)(3)(C) Audit***

We have performed audits of the financial statements of Comfort Systems USA, Inc. 401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 5 to the financial statements, is complete and accurate.

***Opinion***

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

6002 Rogerdale, Ste. 200 Houston, Texas 77072 Tel 281-759-1120 Fax 281-759-5500

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Matter — Supplemental Schedules Required by ERISA***

The supplemental schedule H, line 4i - schedule of assets (held at end of year) as of December 31, 2022 and schedule H, line 4a - schedule of delinquent participant contributions for the year ended December 31, 2022 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Melton & Melton, LLP

Houston, Texas
October 16, 2023

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**
**December 31, 2022 and 2021**

| | 2022 | 2021 |
|---|---|---|
| Investments, at fair value | $ 637,857,737 | $ 734,773,391 |
| Investments, at contract value | 106,059,795 | 92,701,982 |
| Cash, noninterest bearing | 57 | 282 |
| Receivables: | | |
| Employer contributions | 1,387,393 | 1,113,130 |
| Participant contributions | 2,180,710 | 1,664,677 |
| Notes receivable from participants | 13,058,784 | 11,667,532 |
| Transfer of assets from merged plans | 33,713,338 | 9,617,848 |
| Total receivables | 50,340,225 | 24,063,187 |
| Net assets available for benefits | **$ 794,257,814** | **$ 851,538,842** |

(See accompanying notes to financial statements)

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**
**For the Year Ended December 31, 2022**

| | |
|---|---|
| Investment income (loss): | |
| Interest and dividend income | $ 4,935,647 |
| Net depreciation in fair value of investments | (134,714,895) |
| | (129,779,248) |
| Interest income on notes receivable from participants | 537,041 |
| Contributions: | |
| Participant | 48,222,637 |
| Rollover | 4,099,780 |
| Employer | 16,662,542 |
| | 68,984,959 |
| Benefits paid to participants | (65,556,487) |
| Administrative expenses | (932,771) |
| | (66,489,258) |
| Change in net assets available for benefits | (126,746,506) |
| Transfer of net assets into Plan | 69,465,478 |
| Net assets available for benefits at: | |
| Beginning of year | 851,538,842 |
| End of year | **$ 794,257,814** |

(See accompanying notes to financial statements)

# COMFORT SYSTEMS USA, INC. 401(k) PLAN
# NOTES TO FINANCIAL STATEMENTS
# December 31, 2022 and 2021

## NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the Comfort Systems USA, Inc. 401(k) Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

The Plan was amended and restated effective January 1, 2022 to adopt a pre-approved defined contribution plan document, as well as, consolidate all amendments and legislative and regulatory updates into one Plan document, and amend eligibility provisions to exclude seasonal and temporary employees with less than 1,000 hours of service in a plan year from being eligible to enroll in the Plan.

### Plan Administration

On April 1, 2022, Empower Annuity Insurance Company of America, formerly known as Great-West Life and Annuity Insurance Company, the parent company of Empower Retirement, LLC ("Empower") acquired the full-service retirement business of Prudential Financial, Inc. In correction with the transaction, Prudential Retirement Insurance and Annuity Company ("PRIAC") and Prudential Bank & Trust, FSB ("PB&T") were acquired by Empower. On October 3, 2022, PRIAC was named Empower Annuity Insurance Company ("EAIC").

### General

The Plan is a defined contribution plan and is subject to the Employee Retirement Income Security Act of 1974 (ERISA). The Plan covers all employees of Comfort Systems USA, Inc. and Subsidiaries (collectively, the "Company"), except employees covered by a collective bargaining agreement (CBA), unless the CBA provides for coverage under the Plan, leased employees, nonresident aliens without United States source income, self-employed individuals, contract employees, and seasonal and temporary employees with less than 1,000 hours of service in a plan year. Eligible employees may join the Plan on the first day of the month coincident with or immediately following the date of hire. Employees of the Company are eligible to receive the Company's discretionary regular matching contributions immediately upon contributing, as defined in the Plan.

### Plan Mergers

The Company acquired TEC Industrial during 2022. As part of the amended and restated Plan document, effective January 1, 2022, TEC Industrial became a participating employer of the Plan and the TEC Industrial Profit Sharing and 401(k) Plan (TEC Industrial Plan) merged with and into the Plan. The transferred net assets were moved out of the TEC Industrial Plan effective December 31, 2021 but were not received into the accounts of the Plan until January 2022; therefore, total net assets transferred in the approximate amount of $9,617,000 are included as a receivable in the statements of net assets available for benefits at December 31, 2021.

Effective December 1, 2022, Ivey became a participating employer of the Plan and the Ivey 401(k) Plan merges with and into the Plan. Total net assets of approximately $34,914,000 were transferred into the Plan.

**NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)**

The Company acquired Western States Mechanical, Inc., Amteck, LLC, and MEP Holding Company, Inc. during 2022. Western States Mechanical, Inc., Amteck, LLC, and MEP Holding Company, Inc. became participating employers of the Plan effective January 2023 and the Western States Mechanical 401(k) Plan, Amteck, LLC 401(k) Plan, and MEP Holding Company 401(k) Plan merged with and into the Plan. The transferred assets were moved out of the Western States Mechanical 401(k) Plan, Amteck, LLC 401(k) Plan, and MEP Holding Company 401(k) Plan effective December 31, 2022 but were not received into the accounts of the Plan until January 2023; therefore, total net assets transferred in the approximate amount of $33,713,000 are included as a receivable in the statements of net assets available for benefits at December 31, 2022.

**Contributions**

Participants may elect to contribute a pre-tax percentage up to 100% of their eligible compensation as defined by the Plan, and subject to the limits imposed by the Internal Revenue Code (IRC). Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Catch-up contributions can be a percentage or a specified dollar amount. Participants may also contribute amounts excluding Roth contributions, representing rollover distributions from other qualified plans.

The Plan permits the Company to automatically enroll newly hired employees into the Plan with an automatic contribution of 3% of eligible compensation. Employees receive notice before the automatic contribution begins. An employee may opt out of the automatic enrollment by either electing not to contribute or electing a different contribution percentage. If the employee does not direct their contributions, amounts will be invested in a Vanguard Target Retirement Trust II Fund based on the employee's age and target retirement date.

The Company may make a discretionary regular matching contribution for each payroll period equal to a uniform percentage of participant contributions, excluding catch-up contributions. During 2022, the Company elected to match $0.50 on each dollar of contributions up to 5% of eligible compensation. The Company shall make a true-up matching contribution on a plan year basis on behalf of each participant. For the year ended December 31, 2022, the Company made a true-up matching contribution in the amount of $590,549. The Company may also make additional discretionary qualified or nonelective contributions as defined in the Plan document. There were no additional discretionary qualified or nonelective contributions during 2022.

The Plan is participant directed and participants may change their contribution rate and investment options at any time.

## NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

### Participant Accounts

Each participant's account is credited with the participant's contribution and the Company's discretionary contributions, as well as allocations of Plan earnings. Participant accounts may be charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant's eligible compensation, earnings, account balances, or specific participant transactions as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### Notes Receivable from Participants

Participants may borrow from their accounts a minimum of $1,000 up to a maximum equal to the lesser of 50% of their vested account balance, or $50,000 less the participant's highest outstanding notes receivable balance during the preceding 12 months. Spousal consent is required on any withdrawals from the Plan that exceed $5,000. The notes are secured by the vested balance in the participant's account. The note term may not exceed five years, except for notes used for the purchase of a principal residence, which may be repaid in up to ten years.

The interest rate is fixed at the time of borrowing and shall be a reasonable rate of interest as determined by the plan administrator at the date of the loan. Principal and interest are paid ratably through payroll deductions. Participants may only have one loan outstanding at a time unless a participant had multiple loans transferred in from a merged plan.

### Vesting

Participants are at all times 100% vested in their contributions and discretionary qualified contributions, if any, and the appreciation or depreciation thereon. A participant is 20% vested in discretionary regular matching, true-up matching, and nonelective contributions after one year (1,000 hours of service in a plan year) and an additional 20% for each year thereafter becoming 100% vested after five years of service. An eligible participant of Eastern Heating and Cooling, Inc., a subsidiary of the Company, who meets certain classification requirements shall be 100% vested in all contributions at all times. Participants are immediately vested upon attainment of the participant's early retirement date, normal retirement date, death, or disability.

### Payment of Benefits

Normal retirement age under the Plan is 59½. Early retirement is permitted at age 55, provided the participant has at least five years of service. On termination of service due to death, disability, or retirement, the Plan permits the participant or their beneficiary to receive their benefits under the Plan in the form of either a single lump-sum cash payment, installment payments over a period not exceeding the participant's life expectancy, or in the form of an annuity contract purchased from an insurance company. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. Certain in-service and hardship withdrawals are also allowed under the Plan.

## NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

### Forfeited Accounts

Forfeitures occur when a participant terminates employment before becoming 100% vested with respect to their Company discretionary regular matching, true-up matching, and nonelective contributions. Forfeitures shall first be used to pay administrative expenses of the Plan and then to reduce Company discretionary contributions.

At December 31, 2022 and 2021, forfeited unallocated nonvested accounts totaled $574,749 and $1,585,631, respectively. Forfeitures of $631,117 and $656,984 were used to reduce Company discretionary regular matching contributions and pay administrative expenses, respectively, during 2022.

### Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. Upon Plan termination, participants would become 100% vested and receive benefits based on their account balances accumulated to the date of termination of the Plan.

## NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The financial statements of the Plan have been prepared on the accrual basis of accounting.

### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

### Investments

Investments are reported at fair value, except the fully benefit-responsive investment contract, which is reported at contract value (see Note 4). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by the trustee and EAIC. See Note 3 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

## NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

### Administrative Expenses

Certain administrative expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Participants are responsible for fees associated with transactions such as loan originations, account maintenance, distributions, and withdrawals, which are included in administrative expenses. Investment-related expenses are included in net depreciation in fair value of investments.

### Payment of Benefits

Benefits are recorded when paid.

## NOTE 3 - FAIR VALUE MEASUREMENTS

Various inputs are used in determining the fair value of the Plan's investments. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy, including the types of Plan investments that fall under each category and the valuation methodologies used to measure fair value, are described below:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

*Mutual Funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Self-Directed Brokerage Account:* Consists primarily of common stocks, which are valued at the closing price reported on the active market on which the individual securities are traded.

*Level 2* - Inputs to the valuation methodology are other than quoted market prices in active markets that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets; quoted prices that are in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)**

*Pooled Separate Accounts:* Valued at the daily closing net unit value ("NUV") as determined by EAIC. The fair value of these investments is determined by reference to the respective account's underlying assets, with EAIC specifying the source(s) to use for underlying investment asset prices. The investments underlying the Plan's pooled separate accounts primarily include domestic and international equities and domestic fixed-income securities. The NUV price of the pooled separate accounts is not quoted on any market; however, the NUV is based on the underlying investments, which are traded in an active market. There are no redemption restrictions or obligations to further invest in the accounts.

*Collective Investment Trusts*: Valued at NAV as determined by Vanguard Fiduciary Trust Company. The fair value of these investments is determined by the respective account's underlying assets, which primarily consist of fixed income and equity securities which are traded in an active market. There are no redemption restrictions or obligations to further invest in the trusts.

*Level 3* - Inputs to the valuation methodology are unobservable inputs (i.e., projections, estimates, interpretations, etc.) that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The inputs and methodologies used for valuing securities are not an indication of the risk associated with investing in those securities. There have been no changes in the methodologies used at December 31, 2022 or 2021.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2022 and 2021:

| | December 31, 2022 | | | |
|---|---|---|---|---|
| Description | Level 1 | Level 2 | Level 3 | Total |
| Mutual Funds | $218,710,786 | | | $218,710,786 |
| Pooled Separate Accounts | | $104,108,095 | | 104,108,095 |
| Collective Investment Trusts | | 314,296,663 | | 314,296,663 |
| Self-Directed Brokerage Account | 742,193 | | | 742,193 |
| Total investments at fair value | $219,452,979 | $418,404,758 | | $637,857,737 |

**NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)**

| | December 31, 2021 | | | |
|---|---|---|---|---|
| Description | Level 1 | Level 2 | Level 3 | Total |
| Mutual Funds | $226,886,924 | | | $226,886,924 |
| Pooled Separate Accounts | | $143,436,535 | | 143,436,535 |
| Collective Investment Trusts | | 363,350,654 | | 363,350,654 |
| Self-Directed Brokerage Account | 1,099,278 | | | 1,099,278 |
| Total investments at fair value | $227,986,202 | $506,787,189 | | $734,773,391 |

**NOTE 4 - GUARANTEED INCOME FUND**

The Plan invests in the EAIC Guaranteed Income Fund (GIF). The GIF is a broadly diversified, fixed-income portfolio within EAIC's general account that meets the fully benefit-responsive investment contract criteria and, therefore, is reported at contract value. Contract value is the relevant measurement for fully benefit-responsive investment contracts because this is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

Contract value, as reported to the Plan by EAIC, represents contributions made under the contract, plus earnings at guaranteed crediting rates, less participant withdrawals and administrative fees. The concept of a value other than contract value does not apply to the contract even upon a discontinuance of the contract. Participants may direct the withdrawal or transfer of all or a portion of their account balance at contract value.

Interest is credited on the balance using a single "portfolio rate" approach. Under this methodology, a single interest-crediting rate is applied to all contributions made to the contract regardless of the timing of those contributions. Interest-crediting rates are reviewed on a semi-annual basis for resetting. When establishing interest crediting rates for this product, EAIC considers many factors, including current economic and market conditions, the general interest rate environment, and both the expected and actual experience of a reference portfolio within the issuer's general account. These rates are established without the use of a specific formula. The minimum crediting rate under the contract is 1.50%.

Generally, there are not any events that could limit the ability of the Plan to transact at contract value paid within 90 days or, in rare circumstances, contract value paid over time. There are also no events that allow the issuer to terminate the contract and which require the plan sponsor to settle at an amount different than contract value paid either within 90 days or over time.

## NOTE 5 - INFORMATION CERTIFIED

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, PB&T, the trustee of the Plan, and EAIC, an insurance company, have certified to the completeness and accuracy of all investments and notes receivable from participants reflected in the accompanying statements of net assets available for benefits as of December 31, 2022 and 2021, and the schedule H, line 4i - schedule of assets (held at end of year) as of December 31, 2022, and the related investment income (loss) and interest income on notes receivable from participants reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2022.

## NOTE 6 - PARTY IN INTEREST

The Plan invests in pooled separate accounts and a guaranteed income fund managed by EAIC, an affiliate of the trustee; therefore, these investments qualify as party-in-interest transactions. Notes receivable from participants also qualify as party-in-interest transactions. These transactions are covered by an exemption from the prohibited transaction provisions.

## NOTE 7 - RISKS AND UNCERTAINTIES

The Plan provides for various investments. In general, such investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

## NOTE 8 - TAX STATUS

The Plan obtained its latest determination letter on June 30, 2020, in which the IRS stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. The Plan has been amended since receiving the determination letter; however, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, contributions to the Plan and earnings from its assets are not currently taxable to the Plan or its participants.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan to determine if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022 and 2021, there are no uncertain positions taken or expected to be taken. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

## NOTE 9 - SUBSEQUENT EVENTS

The Plan had various acquisitions during 2022. As a result, the company listed below became a participating employer of the Plan in 2023 and the following plan merged into the Plan during 2023, transferring approximately $7,970,000 in the Plan assets, which includes approximately $218,000 in transferred loans:

| Company | Date | Plan Name | Plan Assets |
|---|---|---|---|
| Atlantic Electric, LLC | January 17, 2023 | Atlantic Electric 401(k) Plan | $7,970,247 |

Management has evaluated subsequent events through October 16, 2023, the date the financial statements were available to be issued.

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**EIN: 76-0526487 PLAN #001**
**SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS**
**For the Year Ended December 31, 2022**

| Participant Contributions Transferred Late To The Plan | Total That Constitutes Nonexempt Prohibited Transactions | | | Total Fully Corrected Under VFCP and PTE 2002-51 |
|---|---|---|---|---|
| Check here if late participant loan repayments are included: X | Contributions Not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Correction in VFCP | |
| $ 90,092 | | $ 90,092 | | |

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**EIN: 76-0526487 PLAN #001**
**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**
**December 31, 2022**

| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | **Mutual Funds:** | | | |
| | American Funds | American Balanced Fund | ** | $ 28,968,722 |
| | Fidelity | Low-Priced Stock Fund | ** | 35,116,715 |
| | T. Rowe Price | Small-Cap Stock Fund | ** | 37,783,019 |
| | Vanguard | Total Stock Market Index Fund | ** | 57,761,807 |
| | Vanguard | Total International Stock Index Fund | ** | 11,293,124 |
| | Vanguard | Total Bond Market Index Fund | ** | 12,769,109 |
| | Vanguard | Equity-Income Fund | ** | 35,018,290 |
| | | | | 218,710,786 |
| | **Pooled Separate Accounts:** | | | |
| * | Empower Annuity Insurance Company | Prudential Day One IncomeFlex Target Balanced Fund | ** | 282,512 |
| | | Large Cap Growth II Fund/AB | ** | 77,955,653 |
| | | Core Plus Bond/PGIM Fund | ** | 9,045,632 |
| | | International Blend Fund/Wellington | ** | 16,824,298 |
| | | | | 104,108,095 |
| | **Collective Investment Trusts:** | | | |
| | Vanguard | Target Retirement Income Trust II | ** | 9,080,123 |
| | Vanguard | Target Retirement 2020 Trust II | ** | 17,885,445 |
| | Vanguard | Target Retirement 2025 Trust II | ** | 45,376,580 |
| | Vanguard | Target Retirement 2030 Trust II | ** | 53,581,940 |
| | Vanguard | Target Retirement 2035 Trust II | ** | 45,913,688 |
| | Vanguard | Target Retirement 2040 Trust II | ** | 41,025,770 |
| | Vanguard | Target Retirement 2045 Trust II | ** | 36,779,226 |
| | Vanguard | Target Retirement 2050 Trust II | ** | 31,320,215 |
| | Vanguard | Target Retirement 2055 Trust II | ** | 18,102,918 |
| | Vanguard | Target Retirement 2060 Trust II | ** | 10,589,199 |
| | Vanguard | Target Retirement 2065 Trust II | ** | 4,641,559 |
| | | | | 314,296,663 |

**COMFORT SYSTEMS USA, INC. 401(k) PLAN**
**EIN: 76-0526487 PLAN #001**
**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**
**(CONTINUED)**
**December 31, 2022**

| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | **Self-Directed Brokerage Account** | | ** | $ 742,193 |
| | **Insurance Company General Account:** | | | |
| * | Empower Annuity Insurance Company | Guaranteed Income Fund | ** | 106,059,795 |
| * | **Participant Loans** | 3.25% - 8.25% | 0 | 13,058,784 |
| | | | | **$ 756,976,316** |

* A party in interest as defined by ERISA.

** Cost omitted for participant-directed investments.