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

FORM 10-Q

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2010

OR

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

For the transition period from to

Commission file number 001-14757

EnviroStar, Inc.
(Exact name of Registrant as Specified in Its charter)

DELAWARE (State of Other Jurisdiction of Incorporation or Organization)	11-2014231 (I.R.S. Employer Identification No.)

290 N.E. 68 Street, Miami, Florida 33138
(Address of Principal Executive Offices)

(305) 754-4551
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: Common Stock, \$.025 par value per share – 7,033,732 shares outstanding as of November 12, 2010.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

EnviroStar, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations

	For the three months ended September 30,	
	2010 (Unaudited)	2009 (Unaudited)
Net sales	**$ 4,676,385**	$ 3,584,258
Development fees, franchise and license fees, commission income and other revenue	**177,665**	44,014
Total revenues	**4,854,050**	3,628,272
Cost of sales, net	**3,570,866**	2,777,666
Selling, general and administrative expenses	**1,075,541**	967,544
Total operating expenses	**4,647,407**	3,745,210
Operating income (loss)	**206,643**	(116,938)
Interest income	**6,297**	3,505
Income (loss) before income taxes	**212,940**	(113,433)
Provision (benefit) for income taxes	**80,988**	(42,535)
Net income (loss)	**$ 131,952**	$ (70,898)
Net earnings (loss) per share – basic and diluted	**$ .02**	$ (.01)
Weighted average number of basic and diluted common shares outstanding:	7,033,732	7,033,732

See Notes to Condensed Consolidated Financial Statements

EnviroStar, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets

ASSETS

	September 30, 2010 (Unaudited)	June 30, 2010 (Audited)
Current Assets		
Cash and cash equivalents	**$ 6,940,328**	$ 6,061,378
Accounts and trade notes receivable, net	**1,058,602**	1,185,039
Inventories	**1,746,853**	1,823,059
Lease and mortgage receivables	**140,748**	63,229
Deferred income taxes	**125,097**	148,718
Other assets	**85,453**	70,189
Total current assets	**10,097,081**	9,351,612
Lease and mortgage receivables-due after one year	**46,333**	50,393
Equipment and improvements, net	**166,446**	174,848
Franchise, trademarks and other intangible assets, net	**89,320**	93,739
Deferred income taxes	**64,767**	59,942
	$ 10,463,947	$ 9,730,534

See Notes to Condensed Consolidated Financial Statements

EnviroStar, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets

LIABILITIES AND SHAREHOLDERS' EQUITY

	September 30, 2010 (Unaudited)	June 30, 2010 (Audited)
Current Liabilities		
Accounts payable and accrued expenses	**$ 952,165**	$ 813,046
Accrued employee expenses	**284,056**	599,475
Income taxes payable	**9,788**	6,096
Unearned income	**25,547**	-
Customer deposits	**1,527,549**	779,027
Total current liabilities	**2,799,105**	2,197,644
Total liabilities	**2,799,105**	2,197,644
Shareholders' Equity		
Preferred Stock, $1.00 par value: authorized shares – 200,000; none issued and outstanding	**-**	-
Common stock, $0.025 par value:		
Authorized shares – 15,000,000;		
7,065,500, shares issued and outstanding, including shares held in treasury	**176,638**	176,638
Additional paid-in capital	**2,095,069**	2,095,069
Retained earnings	5,397,073	5,265,121
Treasury stock, 31,768 shares at cost	**(3,938)**	(3,938
Total shareholders' equity	**7,664,842**	7,532,890
	$ 10,463,947	$ 9,730,534

See Notes to Condensed Consolidated Financial Statements

EnviroStar, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows

	For the three months ended September 30, 2010 (Unaudited)	2009 (Unaudited)
Operating activities:		
Net income (loss)	**$ 131,952**	$ (70,898)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	**14,748**	20,476
Bad debt expense	**1,838**	(33,487)
Inventory reserve	**(44,603)**	-
Provision (benefit) for deferred income taxes	**18,796**	(5,975)
(Increase) decrease in operating assets:		
Accounts and trade notes receivables	**124,599**	258,245
Inventories	**120,809**	(62,979)
Lease and mortgage receivables	**(73,459)**	-
Refundable income taxes	**-**	(56,561)
Other current assets	**(15,264)**	64,317
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	**139,119**	257,967
Accrued employee expenses	**(315,420)**	(326,448)
Income taxes payable	**3,692**	-
Unearned income	**25,547**	-
Customer deposits	**748,522**	322,705
Net cash provided by operating activities	**880,876**	367,362
Investing activities:		
Capital expenditures, net	**(1,926)**	(6,276)
Net cash used by investing activities	**(1,926)**	(6,276)
Net increase in cash and cash equivalents	**878,950**	361,086
Cash and cash equivalents at beginning of period	**6,061,378**	5,460,954
Cash and cash equivalents at end of period	**$ 6,940,328**	$ 5,822,040
Supplemental disclosures of cash flow information		
Cash paid during the period for:		
Income taxes	**$ 58,500**	$ -

See Notes to Condensed Consolidated Financial Statements

Note (1) - General: The accompanying unaudited condensed consolidated financial statements include the accounts of EnviroStar, Inc. and its subsidiaries (the "Company"). All material intercompany balances and transactions have been eliminated in consolidation.

Effective December 1, 2009, the Company changed its name from "DRYCLEAN USA, Inc." to "EnviroStar, Inc."

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial statements and the instructions to Form 10-Q related to interim period financial statements. Accordingly, these condensed consolidated financial statements do not include certain information and footnotes required by GAAP for complete financial statements. However, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting only of normal recurring accruals) which, in the opinion of management, are necessary in order to make the financial statements not misleading. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. The condensed consolidated financial statements should be read in conjunction with the Summary of Significant Accounting Policies and other footnotes included in the Company's Annual Report on Form 10-K for the year ended June 30, 2010. The June 30, 2010 balance sheet information contained herein was derived from the audited consolidated financial statements included in the Company's Annual Report on Form 10-K as of that date.

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Note (2) - Earnings Per Share: Basic earnings per share for the three months ended September 30, 2010 and 2009 are computed as follows:

	For the three months ended September 30,	
	2010	2009
Net income (loss)	$ 131,952	$ (70,898)
Weighted average shares outstanding	7,033,732	7,033,732
Basic and fully diluted earnings (loss) per share	$ .02	$ (.01)

At September 30, 2010, the Company had no outstanding options to purchase shares of the Company's common or other dilutive securities.

Note (3) - Lease and Mortgage Receivables: Lease and mortgage receivables result from customer leases of equipment under arrangements which qualify as sales type leases. At September 30, 2010, future lease payments, net of deferred interest ($13,679 at September 30, 2010), due under these leases was $173,533. The Company did not have any material lease or mortgage receivables at September 30, 2009.

Note (4) - Revolving Credit Line: Effective November 1, 2010, the Company's existing $2,250,000 revolving line of credit facility was extended to October 30, 2011. The Company's obligations under the facility are guaranteed by the Company's subsidiaries and collateralized by substantially all of the Company's and its subsidiaries' assets. No amounts were outstanding under this facility at September 30, 2010 or June 30, 2010.

Note (5) - Stock-Based Compensation Plans: In 2000, the Company adopted its 2000 Stock Option Plan, which authorized the grant of options to purchase up to 500,000 shares of the Company's common stock to employees, directors and consultants until May 2, 2010, when it terminated. No options were granted during the three months ended September 30, 2010 and 2009 under the 2000 Stock Option Plan and no options were outstanding under the plan at September 30, 2010 and 2009.

Note (6) - Income Taxes: Income tax expense varies from the federal corporate income tax rate of 34%, primarily due to state income taxes, net of federal income tax effect, and permanent differences.

As of September 30, 2010 and June 30, 2010, the Company had deferred tax assets of $189,864 and $208,660, respectively. Consistent with the guidance of the Financial Accounting Standards Board (the "FASB") regarding accounting for income taxes, the Company regularly estimates its ability to recover deferred tax assets and establishes a valuation allowance against deferred tax assets to reduce the balance to amounts expected to be recoverable. This evaluation considers several factors, including an estimate of the likelihood of generating sufficient taxable income in future periods over which temporary differences reverse, the expected reversal of deferred tax liabilities, past and projected taxable income and available tax planning strategies. As of September 30, 2010, management believes that it is more-likely-than not that the results of future operations will generate sufficient taxable income to realize the net amount of the Company's deferred tax assets over the periods during which temporary differences reverse.

The Company follows Accounting Standards Codification ("ASC") Topic 740-10-25, "Accounting for Uncertainty in Income Taxes" ("Topic 740"). Topic 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. During the three months ended September 30, 2010, this did not result in any adjustment to the Company's provision for income taxes.

As of September 30, 2010, the Company was subject to potential Federal and State tax examinations for the tax years 2007 through 2010.

Note (7) - Segment Information: The Company's reportable segments are strategic businesses that offer different products and services. They are managed separately because each business requires different marketing strategies. The Company primarily evaluates the operating performance of its segments based on the categories noted in the table below. The Company has no sales between segments. Financial information for the Company's business segments is as follows:

Financial information for the Company's business segments is as follows:

	For the three months ended September 30, **2010** **(Unaudited)**	2009 (Unaudited)
Revenues:		
Commercial and industrial laundry and dry cleaning equipment and boilers	**$ 4,818,646**	$ 3,599,043
License and franchise operations	**35,404**	29,229
Total revenues	**$ 4,854,050**	$ 3,628,272
Operating income (loss):		
Commercial and industrial laundry and dry cleaning equipment and boilers	**$ 279,910**	$ (78,266)
License and franchise operations	**26,068**	55,523
Corporate	**(99,335)**	(94,195)
Total operating income (loss)	**$ 206,643**	$ (116,938)

	September 30, 2010 (Unaudited)	June 30, 2010 (Audited)
Identifiable assets:		
Commercial and industrial laundry and dry cleaning equipment and boilers	**$ 10,082,915**	$ 9,108,375
License and franchise operations	**184,531**	408,462
Corporate	**196,501**	213,697
Total assets	**$ 10,463,947**	$ 9,730,534

Note (8) - Recently Adopted Accounting Guidance:

In June 2009, the FASB issued the "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles – A Replacement of FASB No. 162" (the "ASCs"). The purpose of the ASCs is to provide a single source of authoritative generally accepted accounting principles in the United States ("GAAP"). The ASCs are effective for the Company in the first quarter of fiscal 2010. As the ASCs were not intended to change or alter existing GAAP, the adoption of the ASCs did not have a material effect on the Company's financial statements.

In May 2009, the FASB issued ASC Topic 855, "Subsequent Events," which establishes the accounting for and disclosure of events that occur subsequent to the balance sheet date but before financial statements are issued or are available to be issued. In February 2010, the FASB issued Accounting Standards Update ("ASU") No. 2010-09, "Amendments to Certain Recognition and Disclosure Requirements," which removed the requirement for an SEC filer to disclose a date, in both issued and revised financial statements, through which the filer had evaluated subsequent events. The adoption did not have an impact on the Company's financial statements.

In April 2009, the FASB issued three accounting standards under ASC Topic 820, "Fair Measurements and Disclosures," each of which were effective for the Company on June 30, 2009. The first requires disclosure about the method and significant assumptions used to establish the fair value of financial instruments for interim reporting periods as well as annual statements. The second provides guidance for other-than-temporary impairments to improve the consistency in the timing of impairment recognition, as well as provide greater clarity to investors about credit and non-credit components of impaired debt securities that are not expected to be sold. The third provides guidance which primarily address the measurement of fair value of financial assets and liabilities when there is no active market or where the price inputs being used could be indicative of distressed sales. The adoption of these standards did not have a material impact on the Company's financial statements.

In October 2009, the FASB issued ASU No. 2009-13, "Revenue Recognition (Topic 605) – Multiple-Deliverable Revenue Arrangements," which amends the revenue recognition for multiple-element arrangements and expands the disclosure requirements related to such arrangements. The new guidance amends the criteria for separating consideration in multiple-deliverable arrangements, establishes a selling price hierarchy for determining the selling price of a deliverable, eliminates the residual method of allocation, and requires the application of relative selling price method in allocating the arrangement consideration to all deliverables. The Company adopted this accounting guidance beginning July 1, 2010. The adoption of this accounting guidance did not have a material impact on the Company's financial statements.

In October 2009, the FASB issued ASU No. 2009-14, "Software (Topic 985) – Certain Revenue Arrangements That Include Software Elements," which changes the accounting model for revenue arrangements that include both tangible products and software elements that function together to deliver the product's essential functionality. The accounting guidance is designed to more closely reflect the underlying economics of these transactions. The Company adopted this accounting guidance beginning July 1, 2010. The adoption of this accounting guidance did not have a material impact on the Company's financial statements.

In January 2010, the FASB issued ASU No. 2010-06, "Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements" ("ASU No. 2010-06"). ASU No. 2010-06 amends ASC 820 and clarifies and provides additional disclosure requirements on the transfers of assets and liabilities between Level 1 (quoted prices in active market for identical assets or liabilities) and Level 2 (significant other observable inputs) of the fair value measurement hierarchy, including the reasons for and the timing of the transfers. Additionally, the guidance requires a roll forward of activities on purchases, sales, issuance, and settlements of the assets and liabilities measured using significant unobservable inputs (Level 3 fair value measurements). The ASU became effective for the first interim or annual reporting period beginning December 15, 2009, except for the gross presentation of the Level 3 roll forward, which is required for annual reporting periods beginning after December 15, 2010 and for interim reporting periods within those years. Early application is permitted and comparative disclosures are not required in the period of initial adoption. The adoption of this ASU did not have a material impact on the Company's financial statements.

Item 2. Management's Discussion and Analysis of Financial Conditions and Results of Operations.

Overview

Revenues for the first quarter of fiscal 2011 increased by 33.8% over the first quarter of fiscal 2010 as the economy started to improve. Sales for the first quarter do not reflect a large installation made in the Company's territory; however, the Company earned a substantial commission thereon. The improved sales picture resulted from an increase of 53.7% in laundry equipment sales and a 170.7% increase in boiler sales. Net earnings during the first quarter were $131,952 or $.02 per share compared to a loss of $70,898 or $.01 per share during the first quarter of fiscal 2010.

The Company's financial position remains strong, with cash and cash equivalents growing by $878,950 in the quarter to $6,940,328, while inventories were maintained in line with orders. Inventories are expected to increase during the balance of the fiscal year to support an expected increase in orders.

The Company is using some of its cash to finance an increase in leasing contracts, which will increase interest income and help secure some orders which the Company would normally lose due to credit issues.

Liquidity and Capital Resources

During the first quarter of fiscal 2011, cash increased by $878,950 compared to an increase of $361,086 during the same period of fiscal 2010. The following summarizes the Company's Consolidated Statement of Cash Flows.

	Three Months Ended September 30,	
	2010 (Unaudited)	2009 (Unaudited)
Net cash provided (used) by:		
Operating activities	$ 880,876	$ 367,362
Investing activities	(1,926)	(6,276)

For the three months ended September 30, 2010, operating activities provided cash of $880,876 compared to $367,362 of cash provided during the same period of fiscal 2010. The cash provided by operating activities was primarily due to an increase of $748,522 in customer deposits as incoming orders increased during the quarter. In addition, cash was provided by the Company's net earnings of $131,952, supplemented by non-cash expenses for depreciation and amortization of $14,748 and a $18,796 provision for deferred taxes. A reduction in inventories provided cash of $120,809, which was partially offset by a $44,603 reduction in an inventory reserve. This reserve was placed against returned machinery in prior years which the Company resold during the first quarter of fiscal 2011. Additional cash was provided by a decrease of $124,599 in accounts and trade notes receivable and an increase of $139,119 in accounts payable and accrued expenses, each resulting in the ordinary course of business. These increases in cash were partially offset by a $315,420 decrease in accrued employee expenses as year end accrued bonuses were paid out during the first quarter. Cash of $73,459 was also used to increase lease and mortgage receivables as the Company is allotting some of its cash to increase leasing contracts, which will increase interest income and secure some orders which the Company would normally lose due to credit issues.

For the three month period ended September 30, 2009, operating activities provided cash of $367,362 compared to $365,542 of cash provided during the same period of fiscal 2009. The cash provided by operating activities in the fiscal 2010 period was primarily due to a decrease in accounts, trade notes and lease receivables of $258,245 as a result of a decrease in sales during that quarter, an increase of $257,967 in accounts payable and accrued expenses which was the result of normal business activities and an increase of $322,705 in customer deposits which reflected a slight increase in backlog at the end of the quarter. Accrued employee expenses used cash of $326,448 as fiscal 2009 year end accrued bonuses were paid during the quarter. Cash was also used to fund the Company's operating loss of $70,898, supplemented by the collection of a $35,000 account receivable which resulted in the reversal of a previously recognized bad debt expense, partially offset by the non-cash expense of $20,476 for depreciation and amortization. Additional cash was used to increase inventories by $62,979 and as a result of an increase in refundable income taxes of $56,561 due to the loss in the first quarter of fiscal 2010.

Investing activities used cash of $1,926 and $6,276 during the first quarters of fiscal 2011 and 2010 respectively, mostly for capital expenditures.

There were no financing activities during the first quarters of fiscal 2011 and 2010.

Effective November 1, 2010, the Company's existing $2,250,000 revolving line of credit facility was extended to October 30, 2011. The Company's obligations under the facility are guaranteed by the Company's subsidiaries and collateralized by substantially all of the Company's and its subsidiaries' assets. No amounts were outstanding under this facility at September 30, 2010 or June 30, 2010, nor were there any amounts outstanding at any time during fiscal 2010 or the first quarter of fiscal 2011.

The Company believes that its existing cash, cash equivalents, net cash from operations and sources of liquidity will be sufficient to fund its operations and anticipated capital expenditures for at least the next twelve months and to meet its long-term liquidity needs.

Off-Balance Sheet Financing

The Company has no off-balance sheet financing arrangements within the meaning of item 303(a)(4) of Regulation S-K.

Results of Operations

	Three Months Ended September 30,		
	2010 (Unaudited)	2009 (Unaudited)	%
Net sales	$ 4,676,385	$ 3,584,258	+30.5%
Development fees, franchise and license fees, commissions and other income	177,665	44,014	+303.7%
Total revenues	$ 4,854,050	$ 3,628,272	+33.8%

Net sales for the three month period ended September 30, 2010 increased by $1,092,127 (30.5%) from the same period of fiscal 2010. The increase in sales was primarily attributed to an improvement in laundry equipment sales which increased by 53.7% over the same period of last year and reflected the general improvement in economic conditions, and sales of the Company's new boiler line, introduced in late fiscal 2009, which was the primary reason for a 170.7% increase in boiler sales. Spare parts sales also improved by 5.5%. These increases were offset, in part, by a decrease in drycleaning equipment sales of 13.7%. Revenues of development fees, franchise and license fees, commission and other income increased by $133,651 (303.7%) due principally to a substantial commission received on a sale by another distributor for an installation made in the Company's territory. Royalty and license fee income were similar to the same period of fiscal 2010.

	Three Months Ended September 30,	
	2010	2009
	(Unaudited)	(Unaudited)
As a percentage of net sales:		
Cost of sales	76.4%	77.5%
As a percentage of revenues:		
Selling, general and administrative expenses	22.2%	26.7%
Total cost of sales and operating expenses	95.7%	103.2%

Costs of goods sold, expressed as a percentage of sales, improved to 76.4% during the first quarter of fiscal 2011 from 77.5% during the same period of fiscal 2010 due to a better product mix and the sales of certain equipment in inventory which had a reserve against it, thereby lowering the Company's cost of goods sold.

Selling general and administrative expenses increased by $108,997 (11.3%), but as a percentage of revenues improved to 22.2% from 26.7%, in the first quarter of fiscal 2011 from the first quarter of fiscal 2010. The increase in dollar amount was mainly due to higher sales commissions and travel expenses associated with the improved sales, while the improvement as a percentage of revenues was due to the absorption of these expenses over higher revenue.

Interest income increased by $2,792 (79.7%) in the first quarter of fiscal 2011 from the same period of fiscal 2010 primarily due to the investment of the Company's cash in equipment leases and mortgages. Bank interest was comparable in both periods despite higher outstanding bank balances in the current year as prevailing bank interest remained low.

The Company's effective tax rate for the first quarter of fiscal 2011 was 38.0%. During the first quarter of fiscal 2010, the Company suffered a loss and therefore had a tax benefit of $42,535 (at an effective rate of 37.5%).

Inflation

Inflation has not had a significant effect on the Company's operations during any of the reported periods.

Transactions **with** Related Parties

The Company leases 27,000 square feet of warehouse and office space from the Sheila Steiner Revocable Trust under a lease entered into in November 2005. After giving effect to a three year renewal option exercised by the Company in 2008, the lease presently expires on October 31, 2011, subject to another three year renewal option in favor of the Company. The lease provides for annual rental increases in November of each year in an amount equal to 3% over the rent in the prior year. The Company's rent under the lease for the period November 1, 2009 through October 31, 2010 was $113,806 and increased on November 1, 2010 to $117,220 for the next twelve months. The Company is to bear the costs of real estate taxes, utilities, maintenance, non-structural repairs and insurance. The trustees of the Sheila Steiner Revocable Trust are Sheila Steiner, her husband, William K. Steiner, and her son, Michael S. Steiner. Sheila Steiner, William K. Steiner, who is Chairman of the Board of Directors and a director of the Company, and Michael S. Steiner, who is President and a director of the Company, are trustees of another trust which is a principal shareholder of the Company. Michael Steiner, individually, is also a principal shareholder of the Company. The Company believes that the terms of the lease are comparable to terms that would be obtained from an unaffiliated third party for similar property in a similar locale.

Critical **Accounting** Policies

The accounting policies that the Company has identified as critical to its business operations and to an understanding of the Company's results of operations remain unchanged from those described in the Management's Discussion an Analysis of Financial Condition and Results of Operations section of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2009. The Company makes estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and liabilities, and the reported amounts of revenues and expenses during the reported period. Therefore, there can be no assurance that the actual results will not differ from those estimates.

Recently Adopted Accounting Guidance

In June 2009, the FASB issued the "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles – A Replacement of FASB No. 162" (the "ASCs"). The purpose of the ASCs is to provide a single source of authoritative generally accepted accounting principles in the United States ("GAAP"). The ASCs are effective for the Company in the first quarter of fiscal 2010. As the ASCs were not intended to change or alter existing GAAP, the adoption of the ASCs did not have a material effect on the Company's financial statements.

In May 2009, the FASB issued ASC Topic 855, "Subsequent Events," which establishes the accounting for and disclosure of events that occur subsequent to the balance sheet date but before financial statements are issued or are available to be issued. In February 2010, the FASB issued Accounting Standards Update ("ASU") No. 2010-09, "Amendments to Certain Recognition and Disclosure Requirements," which removed the requirement for an SEC filer to disclose a date, in both issued and revised financial statements, through which the filer had evaluated subsequent events. The adoption did not have an impact on the Company's financial statements.

In April 2009, the FASB issued three accounting standards under ASC Topic 820, "Fair Measurements and Disclosures," each of which were effective for the Company on June 30, 2009. The first requires disclosure about the method and significant assumptions used to establish the fair value of financial instruments for interim reporting periods as well as annual statements. The second provides guidance for other-than-temporary impairments to improve the consistency in the timing of impairment recognition, as well as provide greater clarity to investors about credit and non-credit components of impaired debt securities that are not expected to be sold. The third provides guidance which primarily address the measurement of fair value of financial assets and liabilities when there is no active market or where the price inputs being used could be indicative of distressed sales. The adoption of these standards did not have a material impact on the Company's financial statements.

In October 2009, the FASB issued ASU No. 2009-13, "Revenue Recognition (Topic 605) – Multiple-Deliverable Revenue Arrangements," which amends the revenue recognition for multiple-element arrangements and expands the disclosure requirements related to such arrangements. The new guidance amends the criteria for separating consideration in multiple-deliverable arrangements, establishes a selling price hierarchy for determining the selling price of a deliverable, eliminates the residual method of allocation, and requires the application of relative selling price method in allocating the arrangement consideration to all deliverables. The Company adopted this accounting guidance beginning July 1, 2010. The adoption of this accounting guidance did not have a material impact on the Company's financial statements.

In October 2009, the FASB issued ASU No. 2009-14, “Software (Topic 985) – Certain Revenue Arrangements That Include Software Elements,” which changes the accounting model for revenue arrangements that include both tangible products and software elements that function together to deliver the product’s essential functionality. The accounting guidance is designed to more closely reflect the underlying economics of these transactions. The Company adopted this accounting guidance beginning July 1, 2010. The adoption of this accounting guidance did not have a material impact on the Company’s financial statements.

In January 2010, the FASB issued ASU No. 2010-06, “Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements” (“ASU No. 2010-06”). ASU No. 2010-06 amends ASC 820 and clarifies and provides additional disclosure requirements on the transfers of assets and liabilities between Level 1 (quoted prices in active market for identical assets or liabilities) and Level 2 (significant other observable inputs) of the fair value measurement hierarchy, including the reasons for and the timing of the transfers. Additionally, the guidance requires a roll forward of activities on purchases, sales, issuance, and settlements of the assets and liabilities measured using significant unobservable inputs (Level 3 fair value measurements). The ASU became effective for the first interim or annual reporting period beginning December 15, 2009, except for the gross presentation of the Level 3 roll forward, which is required for annual reporting periods beginning after December 15, 2010 and for interim reporting periods within those years. Early application is permitted and comparative disclosures are not required in the period of initial adoption. The adoption of this ASU did not have a material impact on the Company’s financial statements.

Forward Looking Statements

Certain statements in this Report are “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this Report, words such as “may,” “should,” “seek,” “believe,” “expect,” anticipate,” “estimate,” “project,” “intend,” “strategy” and similar expressions are intended to identify forward looking statements regarding events, conditions and financial trends that may affect the Company’s future plans, operations, business strategies, operating results and financial position. Forward-looking statements are subject to a number of known and unknown risks and uncertainties that may cause actual results, trends, performance or achievements of the Company, or industry trends and results, to differ materially from the future results, trends, performance or achievements expressed or implied by such forward-looking statements. These risks and uncertainties include, among others: general economic and business conditions in the United States and other countries in which the Company’s customers and suppliers are located; industry conditions and trends; technology changes; competition and other factors which may affect prices which the Company may charge for its products and its profit margins; the availability and cost of the inventory purchased by the Company; the relative value of the United States dollar to currencies in the countries in which the Company’s customers, suppliers and competitors are located; changes in, or the failure to comply with, government regulation, principally environmental regulations; the Company’s ability to implement changes in its business strategies and development plans; and the availability, terms and deployment of debt and equity capital if needed for expansion. These and certain other factors are discussed in this Report and from time to time in other Company reports filed with the Securities and Exchange Commission. The Company does not assume an obligation to update the factors discussed in this Report or such other reports.

Item 3. Quantitative and Qualitative Disclosures About Market Risks

All of the Company's export sales require the customer to make payment in United States dollars. Accordingly, foreign sales may be affected by the strength of the United States dollar relative to the currencies of the countries in which their customers and competitors are located, as well as the strength of the economies of the countries in which the Company's customers are located. The Company has, at times in the past, paid certain suppliers in Euros. The Company's bank revolving credit facility contains a $250,000 foreign exchange subfacility for this purpose. The Company had no foreign exchange contracts outstanding at September 30, 2010 and 2009.

The Company's cash and cash equivalents are maintained in interest-bearing bank accounts, including a money market account, and a tax-free municipal fund, each of which bear interest at prevailing interest rates. Interest income increased by $2,792 (79.7%) in the first quarter of fiscal 2011 from the same period in fiscal 2010 as a result of increased interest income from leases and mortgages.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, management of the Company, with the participation of the Company's principal executive officer and the Company's principal financial officer, evaluated the effectiveness of the Company's "disclosure controls and procedures." As defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), "disclosure controls and procedures" means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Based on that evaluation, the Company's principal executive officer and principal officer concluded that, as of the date of their evaluation, the Company's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's periodic filings under the Exchange Act is accumulated and communicated to the Company's management, including those officers, to allow timely decisions regarding required disclosure. It should be noted that a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within the Company to disclose material information otherwise required to be set forth in the Company's periodic reports.

During the period covered by this Report, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 6. Exhibits

(a) Exhibits:

Exhibit Number	Description
10(a)	Amended and Restated Stockholders Agreement, dated as of December 6, 2005, by and among Michael S. Steiner, William K. Steiner, Alan I. Greenstein and Cindy B. Greenstein. (Exhibit 4(c) to Amendment No. 4 to the Schedule 13D filed by Michael S. Steiner on December 7, 2005, File No. 001-14757).
10(b)	Amendment to Stockholders Agreement and Joinder of Amended Stockholders' Agreement, dated April 28, 2008, among Thrifty Rent-A-Car Systems, Inc., Michael S. Steiner and William K. Steiner. (Exhibit 4(d) to Amendment No. 5 to the Schedule 13D filed by Michael S. Steiner on May 2, 2008, File No. 001-14757).
*31.01	Certification of principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 promulgated under the Securities Exchange Act of 1934.
*31.02	Certification of principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 promulgated under the Securities Exchange Act of 1934.
*32.01	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*32.02	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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* Filed with this Report. Exhibits 10(a) and 10(b) are incorporated herein by reference to the filing indicated in the parenthetical reference following the exhibit description.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 12, 2010

EnviroStar, Inc.

By: /s/ Venerando J. Indelicato
Venerando J. Indelicato,
Treasurer and Chief Financial Officer

Exhibit Index

Exhibit Number	Description
10(a)	Amended and Restated Stockholders Agreement, dated as of December 6, 2005, by and among Michael S. Steiner, William K. Steiner, Alan I. Greenstein and Cindy B. Greenstein. (Exhibit 4(c) to Amendment No. 4 to the Schedule 13D filed by Michael S. Steiner on December 7, 2005, File No. 001-14757).
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* Filed with this Report. Exhibits 10(a) and 10(b) are incorporated herein by reference to the filing indicated in the parenthetical reference following the exhibit description.

EXHIBIT 31.01

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael S. Steiner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 of EnviroStar, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2010

/s/ Michael S. Steiner
Michael S. Steiner
President and Principal Executive Officer

EXHIBIT 31.02

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Venerando J. Indelicato, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 of EnviroStar, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 12, 2010

/s/ Venerando J. Indelicato
Venerando J. Indelicato
Treasurer and Principal Financial Officer

EXHIBIT 32.01

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of EnviroStar, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael S. Steiner, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 12, 2010

/s/ Michael S. Steiner
Michael S. Steiner
Principal Executive Officer

EXHIBIT 32.02

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of EnviroStar, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Venerando J. Indelicato, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 12, 2010

/s/ Venerando J. Indelicato
Venerando J. Indelicato
Principal Financial Officer