

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

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FORM 8-K

CURRENT REPORT

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

MARCH 23, 2007  
Date of Report (Date of earliest event reported)

COLONIAL COMMERCIAL CORP.  
(Exact name of Registrant as Specified in Charter)

NEW YORK (State or other Jurisdiction of Incorporation)	1-6663 (Commission File Number)	11-2037182 (IRS Employer Identification No.)
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275 WAGARAW ROAD, HAWTHORNE, NEW JERSEY (Address of Principal Executive Offices)	07506 (Zip Code)
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Registrant's Telephone Number, Including Area Code: 973-427-8224

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

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

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On March 23, 2007 Colonial Commercial Corp. (the "Company") issued a press release announcing its fourth quarter and year-end financial results. A copy of this press release is furnished as Exhibit 99.1 to this report.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

Exhibit No.	Description
99.1	Press Release dated March 23, 2007

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COLONIAL COMMERCIAL CORP.

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(Registrant)

Date: March 23, 2007

s/ William Salek

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William Salek  
Chief Financial Officer

INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Press Release dated March 23, 2007

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COLONIAL COMMERCIAL CORP. REPORTS FOURTH QUARTER AND YEAR-END FINANCIAL RESULTS

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HAWTHORNE, New Jersey (March 23, 2007) - Colonial Commercial Corp. ("Colonial") (OTC Bulletin Board: "CCOM," "CCOMP"), today announced financial results for the fourth quarter and year ended December 31, 2006.

Sales for the fourth quarter increased 4.2% to \$19,237,071 from \$18,464,129 in the fourth quarter of 2005. Net income decreased 60.7% to \$305,230 (\$0.06 per diluted share) from \$775,763 (\$0.15 per diluted share) in the 2005 period. The decrease in net income reflects, among other things, decreased sales of higher-profit margin replacement parts because of unusually warm weather, \$87,019 in increased non-cash charges and \$77,306 in increased interest expense, as well as a slowing economic climate in the building industry and a more competitive marketplace.

Sales for the full year increased 7.2% to \$71,494,652 from \$66,690,945 in 2005. Net income for 2006 decreased 64.4% to \$753,422 (\$0.14 per diluted share) from \$2,115,631 (\$.40 per diluted share) in 2005. The decrease in net income for the year reflects, among other things, that no deferred tax benefits were recognized in 2006 while \$641,500 of deferred tax benefits was recognized in 2005, non-cash charges in 2006 were \$189,132 greater than in 2005, and interest expense in 2006 increased \$310,331 over interest expense in 2005. Additional factors in the decrease in net income were the slowing economic climate and the more competitive marketplace in the building industry.

William Pagano, Chief Executive Officer of the Company, said, "Through our Goldman Universal division we sell appliances to retail dealers and organizations in the New York metropolitan area and portions of Pennsylvania. In the fourth quarter we expanded this division to sell Speed Queen washers and dryers and Fedders room air conditioners.

"We have significant opportunities to grow our business in 2007 and to improve profitability. These opportunities include the sale of plumbing equipment and supplies through some of our existing locations that do not currently sell these items, the opening of a new location serving the Albany/Saratoga County, New York area, and the addition of new product lines for our appliance business. We also continue to seek acquisitions that make business sense for the Company's continued growth."

Colonial distributes heating, ventilating and air conditioning, ("HVAC"), equipment, parts and accessories, climate control systems, and plumbing supplies to HVAC contractors, primarily in the New York metropolitan area through its Universal Supply Group, Inc., [www.usginc.com](http://www.usginc.com), American/Universal Supply Inc.,

[www.ausupplyinc.com](http://www.ausupplyinc.com), and The RAL Supply Group, Inc., [www.ralsupply.com](http://www.ralsupply.com),

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subsidiaries. These contractors purchase and install equipment and systems for residential, commercial and industrial users. The Company provides control system design, custom control panel fabrication, technical field support, in-house training and climate control consultation for engineers and installers. It is a leader in the design of direct digital control systems, and systems that control multi-location facilities through the Internet. The Company also distributes home appliances to dealer groups and appliance stores through its Goldman Universal division. Additionally, the Company offers water filtration systems, parts and accessories and other products through its e-commerce store, [www.procontractorstore.com](http://www.procontractorstore.com), operated by RAL. The Company is headquartered in

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New Jersey, and, with its affiliates, operates out of seven locations in New Jersey; nine in New York and one in Pennsylvania. For more information on Colonial Commercial Corp.'s operations, products and/or services, please visit [www.colonialcomm.com](http://www.colonialcomm.com).

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Safe Harbor Statement: The foregoing press release may contain statements

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concerning Colonial Commercial Corp.'s financial performance, markets and business operations that may be considered "forward-looking" under applicable securities laws. Colonial cautions readers of this press release that actual results might differ materially from those projected in any forward-looking statements. Factors which might cause actual results to differ materially from any results that are projected in the forward-looking statements include the following: continued acceptance of the company's products in the marketplace, competitive factors, dependence upon third-party vendors, and other risks detailed in the company's periodic report filings with the Securities and Exchange Commission. These and certain other factors which might cause actual results to differ materially from those projected are detailed from time to time in Colonial's periodic reports and registration statements filed with the Securities and Exchange Commission, which important factors are incorporated herein by reference. Colonial undertakes no obligation to update forward looking statements to reflect changed assumptions, the occurrence of unanticipated events, or changes in future operating results, financial condition or business over time.

FOR FURTHER INFORMATION, PLEASE CONTACT WILLIAM PAGANO, CHIEF EXECUTIVE OFFICER, OR WILLIAM SALEK, CHIEF FINANCIAL OFFICER, AT (973) 427-8224.

(Financial Highlights Follow)

COLONIAL COMMERCIAL CORP. AND SUBSIDIARIES  
Consolidated Statements of Operations

	(Unaudited) 3 Months Ended December 31,		12 Months Ended December 31,	
	2006	2005	2006	2005
Sales	\$ 19,237,071	\$ 18,464,129	\$ 71,494,652	\$ 66,690,945
Cost of sales	13,603,241	12,758,598	50,119,796	46,507,769
Gross profit	5,633,830	5,705,531	21,374,856	20,183,176
Selling, general and administrative expenses, net	5,012,523	4,714,064	19,420,124	17,782,752
Operating income	621,307	991,467	1,954,732	2,400,424
Other income	84,903	61,013	277,866	272,597
Interest expense, net;	(359,670)	(282,364)	(1,354,785)	(1,044,454)
Income before income taxes	346,540	770,116	877,813	1,628,567
Income tax expense (benefit)	41,310	(5,647)	124,391	(487,064)
Net income	\$ 305,230	\$ 775,763	\$ 753,422	\$ 2,115,631
Income per common share:				
Basic	\$ 0.07	0.17	\$ 0.16	\$ 0.49
Diluted	\$ 0.06	0.15	\$ 0.14	\$ 0.40
Weighted average shares outstanding:				
Basic	4,593,624	4,528,024	4,579,129	4,295,697
Diluted	5,300,976	5,297,920	5,300,646	5,293,114

COLONIAL COMMERCIAL CORP. AND SUBSIDIARIES  
Consolidated Balance Sheets

	December 31, 2006	December 31, 2005
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<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 482,251	\$ 613,456
Accounts receivable, net of allowance for doubtful accounts of \$212,043 in 2006 and \$185,971 in 2005	9,069,301	8,489,717
Inventory	13,111,488	12,214,261
Prepaid expenses and other current assets	1,057,099	1,066,658
Deferred tax asset - current portion	420,000	637,500
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Total current assets	24,140,139	23,021,592
Property and equipment	1,512,666	1,669,484
Goodwill	1,628,133	1,628,133
Other intangibles	3,500	11,334
Other assets - noncurrent	202,177	135,832
Deferred tax asset - noncurrent	1,288,500	1,071,000
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	\$ 28,775,115	\$ 27,537,375
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<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities:</b>		
Trade payables	\$ 4,719,160	\$ 5,991,946
Accrued liabilities	1,975,175	2,047,159
Income taxes payable	1,630	12,772
Borrowings under credit facility - revolving credit	13,615,696	11,183,008
Borrowings under credit facility - term loan/overadvance	-	562,977
Notes payable - current portion; includes related party notes of \$30,000 in 2006 and \$60,389 in 2005	136,539	165,112
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Total current liabilities	20,448,200	19,962,974
Notes payable, excluding current portion; includes related party notes of \$1,008,125 in 2006 and \$1,000,625 in 2005	1,317,394	1,400,834
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Total liabilities	21,765,594	21,363,808
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<b>Commitments and contingencies</b>		
<b>Stockholders' equity:</b>		
Redeemable convertible preferred stock, \$.05 par value, 2,500,000 shares authorized, 467,500 in 2006 and 484,721 in 2005 shares issued and outstanding, liquidation preference of \$2,337,500 in 2006 and \$2,423,605 in 2005	23,375	24,236
Common stock, \$.05 par value, 20,000,000 shares authorized, 4,593,680 in 2006 and 4,544,459 in 2005 shares issued and outstanding	229,684	227,223
Additional paid-in capital	10,707,791	10,626,859
Accumulated deficit	(3,951,329)	(4,704,751)
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Total stockholders' equity	7,009,521	6,173,567
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	\$ 28,775,115	\$ 27,537,375
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