
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-QSB

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934.
For the quarterly period ended September 30, 2007**

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: 0-21802

N-VIRO INTERNATIONAL CORPORATION

(Exact name of small business issuer as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

34-1741211

(IRS Employer Identification No.)

3450 W. Central Avenue, Suite 328

Toledo, Ohio

(Address of principal executive offices)

43606

(Zip Code)

Registrant's telephone number, including area code: (419) 535-6374

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of November 5, 2007, 4,021,859 shares of N-Viro International Corporation \$.01 par value common stock were outstanding.

Transitional Small Business Disclosure Format (check one):

Yes No

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

N-Viro International Corporation
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
	2007	2006	2007	2006
Revenues	\$ 935,639	\$ 884,852	\$ 3,089,913	\$ 2,866,015
Cost of revenues	<u>777,683</u>	<u>596,607</u>	<u>2,521,340</u>	<u>1,827,741</u>
Gross Profit	157,956	288,245	568,573	1,038,274
Operating expenses:				
Selling, general and administrative	<u>374,947</u>	<u>444,715</u>	<u>1,384,258</u>	<u>1,357,912</u>
Operating loss	(216,991)	(156,470)	(815,685)	(319,638)
Nonoperating income (expense):				
Interest income	1,267	2,408	4,565	6,690
Interest expense	<u>(19,375)</u>	<u>(3,211)</u>	<u>(48,229)</u>	<u>(11,896)</u>
	<u>(18,108)</u>	<u>(803)</u>	<u>(43,664)</u>	<u>(5,206)</u>
Loss before income taxes	(235,099)	(157,273)	(859,349)	(324,844)
Federal and state income taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net loss	<u>\$ (235,099)</u>	<u>\$ (157,273)</u>	<u>\$ (859,349)</u>	<u>\$ (324,844)</u>
Basic and diluted loss per share	<u>\$ (0.06)</u>	<u>\$ (0.04)</u>	<u>\$ (0.22)</u>	<u>\$ (0.09)</u>
Weighted average common shares outstanding - basic and diluted	<u>4,003,104</u>	<u>3,719,543</u>	<u>3,937,114</u>	<u>3,707,180</u>

See Notes to Consolidated Financial Statements

N-Viro International Corporation
Consolidated Balance Sheets

	September 30, 2007 (Unaudited)	December 31, 2006
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents:		
Unrestricted	\$ 84,471	\$ 162,633
Restricted	134,429	131,498
Trade Receivables, net	513,193	667,617
Prepaid expenses and other current assets	195,257	250,590
Total current assets	927,350	1,212,338
Property and Equipment, Net	1,361,703	931,820
Intangible and Other Assets, Net	664,127	801,972
	\$ 2,953,180	\$ 2,946,130
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 161,905	\$ 106,673
Line-of-credit	366,075	205,000
Accounts payable	983,255	1,048,094
Accrued liabilities	231,751	202,295
Total current liabilities	1,742,986	1,562,062
Long-term debt, less current maturities	802,028	554,437
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common stock, \$.01 par value; authorized 7,000,000 shares; issued 4,145,359 in 2007 and 3,864,059 in 2006	41,454	38,641
Additional paid-in capital	16,888,189	16,453,119
Accumulated deficit	(15,836,587)	(14,977,239)
	1,093,056	1,514,521
Less treasury stock, at cost, 123,500 shares	684,890	684,890
Total stockholders' equity	408,166	829,631
	\$ 2,953,180	\$ 2,946,130

See Notes to Consolidated Financial Statements

N-Viro International Corporation
Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended Sept. 30	
	2007	2006
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (159,163)	\$ 173,896
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(639,660)	(320,838)
Expenditures for intangible assets	-	(3,414)
Proceeds from the sale of property and equipment	7,181	9,800
Reductions to restricted cash and cash equivalents	(2,931)	(2,493)
Net cash used in investing activities	(635,410)	(316,945)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings under long-term obligations	394,917	219,309
Principal payments on long-term obligations	(92,096)	(67,262)
Net borrowings (payments) on line-of credit	161,075	(55,000)
Stock options exercised	252,515	0
Net cash provided by financing activities	716,411	97,047
NET DECREASE IN CASH AND CASH EQUIVALENTS	(78,162)	(46,002)
CASH AND CASH EQUIVALENTS - BEGINNING	162,633	224,447
CASH AND CASH EQUIVALENTS - ENDING	\$ 84,471	\$ 178,445
Supplemental disclosure of cash flows information:		
Cash paid during the nine months ended for interest	\$ 72,879	\$ 16,370

See Notes to Consolidated Financial Statements

N-VIRO INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Organization and Basis of Presentation

The accompanying consolidated financial statements of N-Viro International Corporation (the "Company") are unaudited but, in management's opinion, reflect all adjustments (including normal recurring accruals) necessary to present fairly such information for the period and at the dates indicated. The results of operations for the nine months ended September 30, 2007 may not be indicative of the results of operations for the year ending December 31, 2007. Since the accompanying consolidated financial statements have been prepared in accordance with Item 310 of Regulation S-B, they do not contain all information and footnotes normally contained in annual consolidated financial statements; accordingly, they should be read in conjunction with the consolidated financial statements and notes thereto appearing in the Company's Form 10-KSB for the period ending December 31, 2006.

The financial statements are consolidated as of September 30, 2007 and December 31, 2006 for the Company. All intercompany transactions were eliminated.

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The following are certain significant estimates and assumptions made in preparation of the financial statements:

Allowance for Doubtful Accounts – The Company estimates losses for uncollectible accounts based on the aging of the accounts receivable and the evaluation of the likelihood of success in collecting the receivable. The balance of the allowance at September 30, 2007 is \$35,000 and at December 31, 2006 is \$170,000. This balance was reduced from \$170,000 during the third quarter of 2007 as accounts with some of the Company's customers who were part of a related group were written off as part of a settlement agreement to discontinue licensing arrangements with them.

Property and Equipment/Long-Lived Assets – Property and equipment is reviewed for impairment pursuant to the provisions of Statement of Financial Accounting Standards (or SFAS) No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." The carrying amount of an asset (group) is considered impaired if it exceeds the sum of the Company's estimate of the undiscounted future cash flows expected to result from the use and eventual disposition of the asset (group), excluding interest charges. Property, machinery and equipment are stated at cost less accumulated depreciation. Management believes the carrying amount is not impaired based upon estimated future cash flows.

Intangible Assets – Intangible assets deemed to have indefinite lives are tested for impairment by comparing the fair value with its carrying value. Significant estimates used in the determination of fair value include estimates of future cash flows. As required under current accounting standards, the Company tests for impairment when events and circumstances indicate that the assets might be impaired and the carrying value of those assets may not be recoverable.

Fair Value of Financial Instruments – The fair values of cash, accounts receivable, accounts payable and other short-term obligations approximate their carrying values because of the short maturity of these financial instruments. The carrying values of the Company's long-term obligations approximate their fair value. In accordance with SFAS No. 107, "Disclosure About Fair Value of Financial Instruments," rates available at balance sheet dates to the Company is used to estimate the fair value of existing debt.

Income Taxes – Income taxes are provided at the applicable rates on the basis of items included in the determination of income for income tax purposes for the Company.

Deferred Income Taxes – Deferred income taxes are provided from timing difference between financial statement income and tax return income under provision of SFAS No. 109 which requires deferred income taxes be computed on the liability method and deferred tax assets are recognized only when realization is certain. The tax effect of such differences are zero at the end of each period presented.

Note 2. Related Party Transactions

During the quarter ended September 30, 2007, there were no material related party transactions.

Note 3. Long-Term Debt

Through the first quarter of 2007, the Company had a \$695,000 credit facility with Monroe Bank + Trust, or the Bank. This senior debt credit facility was comprised of a \$295,000 four year term note at 7.5% and a line of credit up to \$400,000 at the prime rate (7.75% at September 30, 2007) plus 1.5% and secured by a first lien on all assets of the Company. The term note was paid off in March 2007, leaving the line of credit as the remaining debt on this original credit facility. Two certificates of deposit totaling \$134,429 from the Bank are held as a condition of maintaining the facility. As announced in a Form 8-K filing on November 7, 2007, the Company extended the maturity date of the line of credit until October 17, 2008. At September 30, 2007, the Company had approximately \$34,000 of borrowing capacity under the line of credit.

In the third quarter 2007, the Company's wholly-owned subsidiary, Bio-Mineral Transportation LLC ("BMT"), borrowed a total of \$127,000 from Monroe Bank + Trust, to purchase a truck that was placed into service during the quarter. A term note was issued at 8.1% interest for five years, monthly payments due of \$2,581 and secured by the truck. The total amount owed on all notes by BMT as of September 30, 2007 was approximately \$500,000 and all are expected to be paid in full on the applicable maturity date, the last of which is July 2012.

In the third quarter 2007, the Company's wholly-owned subsidiary, Florida N-Viro LP, did not borrow any additional funds. The total amount owed on all notes by Florida N-Viro as of September 30, 2007 was approximately \$66,000 and all are expected to be paid in full on the applicable maturity date, the last of which is May 2012.

On December 28, 2006, we purchased the remaining ownership interest in Florida N-Viro for \$500,000 and financed \$400,000 of it by delivering a note to the seller, VFL Technology Corporation. The note is at 8% interest for 10 years, to be paid in annual installments of \$59,612, subject to an offset for royalties due us under a patent license agreement from the same party. The amount owed on the note as of September 30, 2007 was approximately \$398,000 and the first installment is expected to be paid on time in early 2008. The Company estimates this first installment will be approximately \$26,000, accounting for expected royalty offsets through year end.

Note 4. Contingencies and Other Obligations to Related Parties

In June 2007, the Company executed an Employment Agreement with Robert W. Bohmer as Vice-President of Business Development and General Counsel, which commenced July 1, 2007. The Company and Mr. Bohmer agreed primarily to enter into an employment arrangement for a two-year term

at \$150,000 per year plus a stock option grant of 100,000 shares. In addition, Mr. Bohmer is eligible for an annual cash bonus. Generally, the Agreement may be terminated by the Company with or without cause or by the Employee for any reason. A copy of Mr. Bohmer's Employment Agreement was attached to a Form 8-K as Exhibit 10.1, filed by the Company on June 20, 2007.

In March 2007, the Company and Mr. Timothy R. Kasmoch, the President and Chief Executive Officer, entered into an Employment Agreement dated and commencing February 13, 2007, for a two-year term. Mr. Kasmoch is to receive an annual base salary of \$150,000, subject to an annual discretionary increase. In addition, Mr. Kasmoch is eligible for an annual cash bonus. Generally, the Agreement may be terminated by the Company with or without cause or by the Employee for any reason. A copy of Mr. Kasmoch's Employment Agreement was attached to a Form 8-K as Exhibit 10.1, filed by the Company on March 12, 2007.

The Company maintains an office in Daytona Beach under a lease with the County of Volusia, Florida which was renewed in April, 2005 for five years. The total minimum rental commitment for the years ending December 31, 2007 through 2009 is \$48,000 each year, and for 2010 is \$12,000. The total rental expense included in the statements of operations for the quarter ended September 30, 2007 is \$12,000, as this property commitment was acquired pursuant to the Share Purchase Agreement with VFL Technology Corporation, effective December 31, 2006. We also lease various equipment on a month-to-month basis at our Florida operation.

In March 2006, the Company approved a First Amendment to a Consulting Agreement dated July 1, 2004 with Terry J. Logan, then a member of the Board. The existing Consulting Agreement was scheduled to expire on June 30, 2006, and was extended an additional two (2) years from that date. All other terms of the existing Consulting Agreement have been retained, with the exception of Section 5.4, referring to Dr. Logan's stock option compensation, which has been deleted by the First Amendment. Dr. Logan will continue to be compensated at a base fee of \$87.50 per hour. The First Amendment to the Consulting Agreement is effective as of February 13, 2006. A copy of the Consulting Agreement was attached to a Form 8-K as Exhibit 10.3, filed by the Company on March 20, 2006.

In January 2006, J. Patrick Nicholson applied to the Delaware Chancery Court for an order to compel the Company to allow him access to inspect our corporate and business books and records and our stockholder list. No monetary relief is sought in this action. The Company contends that the documents sought by Mr. Nicholson in this action far exceed those to which he is entitled, and principally relate to his claims in the now-concluded arbitration described above. The Company is vigorously defending this action and has filed a response in the Delaware Chancery Court, but no discovery has been conducted, and no relief has been granted as of the date of this Form 10-QSB.

In July 2006, J. Patrick Nicholson and N-Viro Energy Systems, Inc. filed a Complaint with Jury Demand in the United States District Court for the Northern District of Ohio, against the Company, Ophir Holdings, Inc., Strategic Asset Management, Inc., Robert A. Cooke, the Cooke Family Trust and the following current and former members of our Board of Directors: Daniel J. Haslinger, Phillip Levin, R. Francis DiPrete and Terry J. Logan. The Complaint sought undeterminable damages and other relief from the named defendants. N-Viro filed a motion to dismiss the lawsuit in August 2006. Mr. Nicholson requested several extensions to amend his complaint. An amended complaint alleging mostly the same claims was filed on that date. The Company renewed its motion to dismiss. On October 12, 2007, the Court granted all motions to dismiss, including N-Viro's Motion, and dismissed with prejudice the Amended Complaint in its entirety.

The Company leases its executive and administrative office in Toledo, Ohio, under a lease that was renewed in January 2003 and amended in November 2004. The Company believes its relationship with its lessor is satisfactory. The lease expired on February 28, 2007, and we have not renewed it at this time. The total rental expense included in the statements of operations for the nine months ended

September 30, 2007 and 2006 is approximately \$27,900 each year. The Company also leases various equipment on a month-to-month basis.

The Company operates in an environment with many financial risks, including, but not limited to, major customer concentrations, customer contract termination provisions, competing technologies, infringement and/or misappropriation of intellectual property rights, the highly competitive and, at times, seasonal nature of the industry and worldwide economic conditions. Various federal, state and governmental agencies are considering, and some have adopted, laws and regulations regarding environmental protection which could adversely affect the business activities of the Company. The Company cannot predict what effect, if any, current and future regulations may have on the operations of the Company.

The Company is involved in these legal proceedings and subject to claims which have arisen in the ordinary course of business. These actions, when concluded and determined, will not, in the opinion of management, have a material adverse effect upon the financial position, results of operations or cash flows of the Company.

Note 5. New Accounting Standards

No new accounting standards were issued by the Financial Accounting Standards Board during the quarter ended September 30, 2007.

Note 6. Segment Information

The Company has determined that its reportable segments are those that are based on the Company's method of internal reporting, which segregates its business by product category and service lines. The Company's reportable segments are as follows:

Management Operations – The Company provides employee and management services to operate the Toledo Ohio Wastewater Treatment Facility and the Daytona/Volusia County Florida Treatment Facility.

Other Domestic Operations – Sales of territory or site licenses and royalty fees to use N-Viro technology in the United States.

Foreign Operations – Sale of territory or site licenses and royalty fees to use N-Viro technology in foreign operations.

Research and Development – The Company contracts with Federal and State agencies to perform or assist in research and development on the Company's technology.

The accounting policies of the segments are the same as the Company's significant accounting policies. Fixed assets generating specific revenue are identified with their respective segments and are accounted for as such in the internal accounting records. All other assets, including cash and other current assets and all long-term assets, other than fixed assets, are not identified with any segments, but rather the Company's administrative functions. All of the net nonoperating income (expense) are non-apportionable and not allocated to a specific segment. The Company accounts for and analyzes the operating data for its segments generally by geographic location, with the exception of the Management Operations and Research and Development segments. The Management Operations segment represents both a significant amount of business generated as well as specific locations and unique type of revenue.

The Domestic and Foreign operations segments differ in terms of environmental and municipal legal issues, nature of the waste disposal infrastructure, political climate and availability of funds for investing in the Company's technology. These factors have not changed significantly over the past several years and are not expected to change in the near term.

The Research and Development segment is unlike any other revenue in that it is generated as a result of a specific project to conduct initial or additional ongoing research into the Company's emerging technologies.

For the third quarter of 2007, approximately 86% of the Company's revenue was from management operations and 14% from other domestic operations.

The table below presents information about the segment profits and segment identifiable assets used by the chief operating decision makers of the Company for the periods ended September 30, 2007 and 2006 (dollars in thousands):

	Management Operations	Domestic Operations	Foreign Operations	Research & Development	Total
Quarter Ended September 30, 2007					
Revenues	808	128	-	-	936
Cost of revenues	654	124	-	-	778
Segment profits	154	4	-	-	158
Identifiable assets	1,253	90	-	-	1,343
Depreciation	51	33	-	-	84
Quarter Ended September 30, 2006					
Revenues	447	408	-	30	885
Cost of revenues	269	298	9	21	597
Segment profits	178	110	(9)	9	288
Identifiable assets	484	102	-	-	586
Depreciation	20	10	-	-	30
Nine Months Ended September 30, 2007					
Revenues	2,235	855	-	-	3,090
Cost of revenues	1,891	631	-	-	2,522
Segment profits	344	224	-	-	568
Identifiable assets	1,253	90	-	-	1,343
Depreciation	133	83	-	-	216
Nine Months Ended September 30, 2006					
Revenues	1,332	1,378	66	90	2,866
Cost of revenues	743	1,002	1	82	1,828
Segment profits	589	376	65	8	1,038
Identifiable assets	484	102	-	-	586
Depreciation	54	16	-	-	70

A reconciliation of total segment revenues, cost of revenues, and segment profits to consolidated revenues, cost of revenues, and segment information to the consolidated financial statements for the periods ended September 30, 2007 and 2006 is as follows (dollars in thousands):

	Qtr. Ended Sept. 30		Nine Months Ended Sept. 30	
	2007	2006	2007	2006
Segment profits:				
Segment profits for reportable segments	\$ 158	\$ 288	\$ 568	\$ 1,038
Corporate selling, general and administrative expenses	(375)	(445)	(1,384)	(1,358)
Other income (expense)	(18)	(1)	(43)	(5)
Consolidated loss before taxes	<u>\$ (235)</u>	<u>\$ (158)</u>	<u>\$ (859)</u>	<u>\$ (325)</u>
Identifiable assets:				
Identifiable assets for reportable segments	\$ 1,343	\$ 586	\$ 1,343	\$ 586
Corporate property and equipment	19	20	19	20
Current assets not allocated to segments	927	1,052	927	1,052
Intangible and other assets not allocated to segments	664	814	664	814
Consolidated assets	<u>\$ 2,953</u>	<u>\$ 2,472</u>	<u>\$ 2,953</u>	<u>\$ 2,472</u>
Depreciation and amortization:				
Depreciation for reportable segments	\$ 84	\$ 30	\$ 216	\$ 70
Corporate depreciation and amortization	21	35	66	105
Consolidated depreciation and amortization	<u>\$ 105</u>	<u>\$ 65</u>	<u>\$ 282</u>	<u>\$ 175</u>

Earnings Variation Due to Business Cycles and Seasonal Factors. The Company's operating results can experience quarterly or annual variations due to business cycles, seasonality and other factors. The market price for its common stock may decrease if its operating results do not meet the expectations of the market.

Competition. The Company conducts business in a highly competitive market and has fewer resources than most of its competitors. Principal competitors are mainly from the waste management and disposal, water and alternative energy industries. Businesses from these markets compete within and outside the United States principally on the basis of price, product quality, custom design, technical support, reputation, equipment financing assistance and reliability. Competitive pressures and other factors could cause the Company to lose market share or could result in decreases in prices, either of which could have a material adverse effect on its financial position and results of operations.

Risks of Doing Business in Other Countries. The Company conducts business in markets outside the United States, and expects to continue to do so. In addition to the risk of currency fluctuations, the risks associated with conducting business outside the United States include: social, political and economic instability; slower payment of invoices; underdeveloped infrastructure; underdeveloped legal systems; and nationalization. The Company has not entered into any currency swap agreements which may reduce these risks. The Company may enter into such agreements in the future if it is deemed necessary to do so. Current economic and political conditions in the Asia Pacific and Middle East regions have affected the Company outlook for potential revenue there. The Company cannot predict the full impact of this economic instability, but it could have a material adverse effect on revenues and profits.

Note 7. Investment in Florida N-Viro, L. P.

On December 28, 2006, the Company entered into a Share Purchase Agreement (the "Agreement") with VFL Technology Corporation ("VFL"), pursuant to which the Company acquired VFL's membership interests in Florida N-Viro L.P. and Florida N-Viro Management, LLC, the general partner of Florida N-Viro L.P. The purchase price paid by the Company to VFL for the acquisition of the membership interests was \$500,000, with \$100,000 paid at closing and the balance payable over ten years at 8% interest, pursuant to the terms of a promissory note delivered by the Company at closing. Pursuant to the Purchase Agreement, the payments on the Note will be offset first from annual royalties payable by VFL to the Company pursuant to an existing license agreement between the Company and VFL. Any remaining amounts due under the note are payable in cash within thirty days after the end of the fiscal year, after a yearly accounting is agreed to between the parties. In accordance with the Agreement, all Notes due the Company from Florida N-Viro were cancelled.

Condensed financial information of Florida N-Viro as of September 30, 2007 (after the Company's purchase of its remaining interest in Florida N-Viro) and 2006 is as follows:

	Sept. 30, 2007 (unaudited)	Sept. 30, 2006 (unaudited)
Current assets	\$ 351,648	\$ 278,961
Long-term assets	428,576	259,682
	<u>\$ 780,224</u>	<u>\$ 538,643</u>
Current liabilities	\$ 229,031	\$ 1,682,090
Long-term liabilities	47,923	-
Member capital	500,000	-
Partners' capital (deficit)	3,270	(1,143,447)
	<u>\$ 780,224</u>	<u>\$ 538,643</u>

	Three Months Ended Sept. 30, 2007 (unaudited)	2006 (unaudited)
Net sales	\$ 376,050	\$ 286,433
Net income (loss)	321	(94,245)

	Nine Months Ended Sept. 30, 2007 (unaudited)	2006 (unaudited)
Net sales	\$ 1,183,588	\$ 1,054,972
Net income (loss)	3,270	(192,515)

Item 2. Management's Discussion and Analysis or Plan of Operation

Forward-Looking Statements

This 10-QSB contains statements that are forward-looking. We caution that words used in this document such as "expects," "anticipates," "believes," "may," and "optimistic," as well as similar words and expressions used herein, identify and refer to statements describing events that may or may not occur in the future. These forward-looking statements and the matters to which they refer are subject to considerable uncertainty that may cause actual results to be materially different from those described herein. There are numerous factors that could cause actual results to be different than those anticipated or predicted by us, including: (i) a deterioration in economic conditions in general; (ii) a decrease in demand for our products or services in particular; (iii) our loss of a key employee or employees; (iv) regulatory changes, including changes in environmental regulations, that may have an adverse affect on the demand for our products or services; (v) increases in our operating expenses resulting from increased costs of labor and/or consulting services; (vi) our inability to exploit existing or secure additional sources of revenues or capital to fund operations; (vii) a failure to collect upon or otherwise secure the benefits of existing contractual commitments with third parties, including our customers; and (viii) other factors and risks identified in this Form 10-QSB or in our Form 10-KSB, including under the caption "Risk Factors." This list provides examples of factors that could affect the results described by forward-looking statements contained in this Form 10-QSB; however, this list is not exhaustive and many other factors could impact our business and it is impossible to predict with any accuracy which factors could result in negative impacts. Although we believe that the forward-looking statements contained in this Form 10-QSB are reasonable, we cannot provide you with any guarantee that the anticipated results will not be adverse and that the anticipated results will be achieved. All forward-looking statements in this Form 10-QSB are expressly qualified in their entirety by the cautionary statements contained or referenced in this section and you are cautioned not to place undue reliance on the forward-looking statements contained in this Form 10-QSB. In addition to the risks listed or referenced above, other risks may arise in the future, and we disclaim any obligation to update information contained in any forward-looking statement.

Overview

We were incorporated in Delaware in April, 1993, and became a public company in October 1993. We own and license the N-Viro Process, a patented technology to treat and recycle wastewater sludges and other bio-organic wastes, utilizing certain alkaline and mineral by-products produced by the cement, lime, electric utilities and other industries.

Our business strategy has developed from being a low cost provider of a process to marketing the N-Viro Process, which produces an "exceptional quality" sludge product, as defined in the 40 CFR Part 503 Sludge Regulations under the Clean Water Act of 1987 (the "Part 503 Regs"), with multiple commercial uses. In this strategy, we focus on identifying allies, public and private, who will build and operate an N-Viro facility. To date, our revenues primarily have been derived from licensing the N-Viro Process to treat and recycle wastewater sludge generated by municipal wastewater treatment plants and from the sale to licensees of the alkaline admixture used in the N-Viro Process. We have also operated N-Viro facilities for third parties on a start-up basis and currently operate one N-Viro facility on a contract management basis. At the end of 2006 we acquired and now manage a merchant facility which accepts wastewater sludge from several sources in the Orlando, Florida area.

Results of Operations

Total revenues were \$936,000 for the quarter ended September 30, 2007 compared to \$885,000 for the same period of 2006. The net increase in revenue is due primarily to an increase in facility

management revenue. Our cost of revenues increased to \$778,000 in 2007 from \$597,000 for the same period in 2006, and the gross profit percentage decreased to 17% from 33% for the quarters ended September 30, 2007 and 2006, respectively. This decrease in gross profit percentage is due primarily to the decreased profitability of the facility management fee operations, primarily as the result of the acquisition of the Florida operations at the end of 2006, which operate at a lower gross profit margin than our other management fee facility. Operating expenses decreased for the comparative period. These changes collectively resulted in a net loss of approximately \$235,000 for the quarter ended September 30, 2007 compared to a net loss of \$157,000 for the same period in 2006, an increase in the net loss of approximately \$78,000.

Comparison of Three Months Ended September 30, 2007 with Three Months Ended September 30, 2006

Our overall revenue increased \$51,000, or 6%, to \$936,000 for the quarter ended September 30, 2007 from \$885,000 for the quarter ended September 30, 2006. The net increase in revenue was due primarily to the following:

- a) Sales of alkaline admixture decreased \$205,000 from the same period ended in 2006;
- b) Revenue from the service fees for the management of alkaline admixture increased \$35,000 from the same period ended in 2006 – this increase was contributed primarily by the Florida operation, which was acquired in late 2006;
- c) Our processing revenue, including facility management revenue, showed a net increase of \$251,000 over the same period ended in 2006. Of this gross facility management revenue increase, \$376,000 was contributed by the Florida operation, which was acquired in late 2006;
- d) Research and development revenue was \$-0- in 2007, a decrease of \$30,000 from the same period ended in 2006.

Our gross profit decreased \$130,000, or 45%, to \$158,000 for the quarter ended September 30, 2007 from \$288,000 for the quarter ended September 30, 2006, and the gross profit margin decreased to 17% from 33% for the same periods. The decrease in gross profit margin is primarily due to the continued shift in percentage of overall gross revenue to our management fee operation segment, which operated at a lower profit margin. Gross revenue decreased \$15,000 from our Toledo operation, contributing approximately \$3,000 of this decrease in gross profit. The acquisition of the Florida operation in late 2006 added approximately \$7,000 of gross profit on overall revenue of \$376,000, but was an increase of approximately \$61,000 of gross profit over the same period in 2006 when it was operated by a different company.

Our operating expenses decreased \$70,000, or 16%, to \$375,000 for the quarter ended September 30, 2007 from \$445,000 for the quarter ended September 30, 2006. The decrease was primarily due to a decrease of approximately \$78,000 in legal and professional fees, \$47,000 for the recovery of bad debts previously reserved, \$23,000 in director-related expenses and \$13,000 in amortization of intangible assets, partially offset by an increase of \$60,000 in employee payroll and related expenses, \$10,000 in a gain on an asset sale in the previous year and \$21,000 in office-related and selling expenses. The acquisition of the Florida operation had an immaterial effect on the change in operating expenses from 2006 to 2007.

As a result of the foregoing factors, we recorded an operating loss of \$217,000 for the quarter ended September 30, 2007 compared to an operating loss of \$156,000 for the quarter ended September 30, 2006, an increase in the loss of approximately \$61,000.

Our net nonoperating expense increased by \$17,000 to net nonoperating expense of \$18,000 for the quarter ended September 30, 2007 from net nonoperating expense of \$1,000 for the quarter ended September 30, 2006. The increase in nonoperating expense was primarily due to the increase of \$16,000 in interest expense for the financing of the acquisition of the Florida operation in December 2006 and an increase in borrowing on the line of credit for the period compared to 2006.

We recorded a net loss of approximately \$235,000 for the quarter ended September 30, 2007 compared to a net loss of \$157,000 for the same period ended in 2006, an increase in the loss of approximately \$78,000. Total non-cash expenses for depreciation, amortization and stock or stock options charges totaling \$199,000, offset by the decrease of \$135,000 in the reserve in allowance for bad debts, accounted for approximately \$64,000 of the loss for the quarter ended September 30, 2007. Similar non-cash expenses for the same period in 2006 totaled approximately \$138,000.

For the quarter ended September 30, 2007 and 2006, we have not fully recognized the tax benefit of the losses incurred in prior periods. Accordingly, our effective tax rate for each period was zero.

Comparison of Nine Months Ended September 30, 2007 with Nine Months Ended September 30, 2006

Our overall revenue increased \$224,000, or 8%, to \$3,090,000 for the nine months ended September 30, 2007 from \$2,866,000 for the nine months ended September 30, 2006. The net increase in revenue was due primarily to the following:

- a) Sales of alkaline admixture decreased \$469,000 from the same period ended in 2006;
- b) Revenue from the service fees for the management of alkaline admixture increased \$223,000 from the same period ended in 2006 – this increase was contributed primarily by the Florida operation, which was purchased in late 2006;
- c) Our processing revenue, including facility management revenue, showed a net increase of \$596,000 over the same period ended in 2006. Of this gross facility management revenue increase, \$941,000 was contributed by the Florida operation, which was acquired in late 2006;
- d) Miscellaneous revenues decreased \$35,000 from the same period ended in 2006; and
- e) Research and development revenue was \$-0- in 2007, a decrease of \$90,000 from the same period ended in 2006.

Our gross profit decreased \$470,000, or 45%, to \$568,000 for the nine months ended September 30, 2007 from \$1,038,000 for the nine months ended September 30, 2006, and the gross profit margin decreased to 18% from 36% for the same periods. The decrease in gross profit margin is primarily due to the shift in percentage of overall gross revenue to our management fee operation segment, which operated at a lower profit margin. Gross revenue decreased \$246,000 from our Toledo operation, contributing approximately \$82,000 of this decrease in gross profit. The gross revenue from the Toledo operation decreased in 2007 compared to the first nine months of 2006 because of unscheduled repairs and a reduction in the volume of incoming sludge processing due to the weather. The balance of the decrease, or \$388,000, was primarily the result of the decrease in sales of alkaline admixture, royalty and miscellaneous revenues. The acquisition of the Florida operation in late 2006 added approximately \$37,000 of gross profit on overall revenue of \$1,184,000, but was an increase of approximately \$110,000 of gross profit over the same period in 2006 when it was operated by a different company.

Our operating expenses increased \$26,000, or 2%, to \$1,384,000 for the nine months ended September 30, 2007 from \$1,358,000 for the nine months ended September 30, 2006. The increase was

primarily due to an increase of approximately \$109,000 in employee payroll and related expenses, \$20,000 in director-related expenses, \$19,000 in consulting expenses and \$19,000 in stockholder relations expense, partially offset by a decrease of \$70,000 in legal and professional fees, \$47,000 for the recovery of bad debts previously reserved and \$39,000 in amortization of intangible assets. The acquisition of the Florida operation had an immaterial effect on the change in operating expenses from 2006 to 2007.

As a result of the foregoing factors, we recorded an operating loss of \$816,000 for the nine months ended September 30, 2007 compared to an operating loss of \$319,000 for the nine months ended September 30, 2006, an increase in the loss of approximately \$496,000.

Our net nonoperating expense increased by \$38,000 to net nonoperating expense of \$44,000 for the nine months ended September 30, 2007 from net nonoperating expense of \$5,000 for the nine months ended September 30, 2006. The increase in nonoperating expense was primarily due to the increase of \$36,000 in interest expense for the financing of the acquisition of the Florida operation in December 2006 and an increase in borrowing on the line of credit for the period compared to 2006.

We recorded a net loss of approximately \$859,000 for the nine months ended September 30, 2007 compared to a net loss of \$325,000 for the same period ended in 2006, an increase in the loss of approximately \$534,000. Total non-cash expenses for depreciation, amortization and stock or stock options charges totaling \$588,000, offset by the decrease of \$135,000 in the reserve in allowance for bad debts, accounted for approximately \$453,000 of the loss for the nine months ended September 30, 2007. Similar non-cash expenses for the same period in 2006 totaled approximately \$427,000.

For the nine months ended September 30, 2007 and 2006, we have not fully recognized the tax benefit of the losses incurred in prior periods. Accordingly, our effective tax rate for each period was zero.

Liquidity and Capital Resources

We had a working capital deficit of approximately \$816,000 at September 30, 2007, compared to a working capital deficit of \$350,000 at December 31, 2006, resulting in a decrease in working capital of \$466,000. Current assets at September 30, 2007 included cash and investments of approximately \$219,000 (including restricted cash of approximately \$134,000), which is a decrease of \$75,000 from December 31, 2006.

Our cash flow used by operations for the first nine months ended September 30, 2007 was approximately \$159,000, a decrease of approximately \$333,000 from the first nine months of 2006. This decrease was principally due to the increase in the net loss of \$534,000, further decreased by \$48,000 in other non-cash charges to earnings, but offset by the positive change in working capital of approximately \$235,000 and \$14,000 for stock, warrants and stock options issued for fees and services. The positive change in working capital of \$235,000 was primarily a decrease in accounts receivable of approximately \$182,000 compared to the similar period in 2006.

The normal collection period for accounts receivable is approximately 30-60 days for the majority of customers. This is a result of the nature of the alkaline admixture or license contracts, type of customer and the amount of time required to obtain the information to prepare the billing. The normal payment period for accounts payable is approximately 45-75 days for the majority of vendors. This is also a result of the customer contracts and the related cost of goods sold associated with each customer. We have periodically extended payments on certain vendors to assist us in our cash flow needs. Principal vendor types are trucking, fuel, alkaline admixture (materials) and outside professional fees.

Through the first quarter of 2007, we had a \$695,000 credit facility with Monroe Bank + Trust, or the Bank. This senior debt credit facility was comprised of a \$295,000 four year term note at 7.5% interest and a line of credit up to \$400,000 at the prime rate (7.75% at September 30, 2007) plus 1.5% and

secured by a first lien on all assets of the Company. The term note was paid off in March 2007, leaving the line of credit as the remaining debt on this original credit facility. Two certificates of deposit totaling \$134,429 from the Bank are held as a condition of maintaining the facility. As announced in a Form 8-K filing on November 7, 2007, we renewed the line of credit through October 2008. At September 30, 2007, we had \$34,000 of borrowing capacity under the credit facility.

In the third quarter 2007, our wholly-owned subsidiary, Bio-Mineral Transportation LLC (“BMT”), borrowed a total of \$127,000 from Monroe Bank + Trust, to purchase a truck that was placed into service during the quarter. A term note was issued at 8.1% interest for five years, monthly payments due of \$2,581 and secured by the truck. The total amount owed on all notes by BMT as of September 30, 2007 was approximately \$500,000 and all are expected to be paid in full on the applicable maturity date, the last of which is July 2012.

In the third quarter 2007, our wholly-owned subsidiary, Florida N-Viro LP, did not borrow any additional funds. The total amount owed on all notes by Florida N-Viro as of September 30, 2007 was approximately \$66,000 and all are expected to be paid in full on the applicable maturity date, the last of which is May 2012.

On December 28, 2006, we purchased the remaining ownership interest in Florida N-Viro for \$500,000 and financed \$400,000 of it by delivering a note to the seller, VFL Technology Corporation. The note is at 8% interest for 10 years, to be paid in annual installments of \$59,612, subject to an offset for royalties due us under a patent license agreement from the same party. The amount owed on the note as of September 30, 2007 was approximately \$398,000 and the first installment is expected to be paid on time in early 2008. We estimate this first installment will be approximately \$26,000, accounting for expected royalty offsets through year end. Through September 30, 2007 cash flow from continuing operations of Florida N-Viro has been positive, and we believe that Florida N-Viro will be able to generate enough funds to finance its operations through the end of 2007 and into 2008.

For the remainder of 2007 and into early 2008, we expect improvements in operating results primarily due to lowered administrative costs together with existing sources and expected new sources of revenue, strategic relationships and cash from equity issuances. Additionally, market developments and ongoing discussions with companies in the fuel and wastewater industries could provide enhanced liquidity and have a positive impact on future operations. Failure to achieve improvements in operating results or in the ability to adequately finance or secure additional sources of funds would likely have a material adverse effect on our continuing operations.

We are currently in discussions with companies in the cement and fuel industries for the development and commercialization of the patented N-Viro fuel technology. There can be no assurance these discussions will be successful. We continue to focus on the development of regional biosolids processing facilities. Currently we are in negotiations with potential partners to permit and develop independent, regional facilities.

Off-Balance Sheet Arrangements

At September 30, 2007, we did not have any material commercial commitments, including guarantees or standby repurchase obligations, or any relationships with unconsolidated entities or financial partnerships, including entities often referred to as structured finance or special purpose entities or variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

From time to time, during the normal course of business, we may make certain indemnities, commitments and guarantees under which we may be required to make payments in relation to certain transactions. These include: (i) indemnities to vendors and service providers pertaining to claims based

on our negligence or willful misconduct and (ii) indemnities involving the accuracy of representations and warranties in certain contracts. Pursuant to Delaware law, we may indemnify certain officers and directors for certain events or occurrences while the officer or director is, or was, serving at our request in such capacity. We also have director and officer insurance coverage that limits our exposure and enables us to recover a portion of any future amounts that we may pay for indemnification purposes. We believe the applicable insurance coverage is generally adequate to cover any estimated potential liability for which we may provide indemnification. The majority of these indemnities, commitments and guarantees do not provide for any limitation of the maximum potential for future payments we could be obligated to make. We have not recorded any liability for these indemnities, commitments and other guarantees in the accompanying Consolidated Balance Sheets.

Contractual Obligations

The following table summarizes our contractual cash obligations at September 30, 2007, and the effect these obligations are expected to have on liquidity and cash flow in future periods:

	Note #	Total	Payments Due By Period			
			Less than 1 year	2 - 4 years	5 - 6 years	after 6 years
Purchase obligations	(1)	\$ 54,600	\$ 54,600	\$ -	\$ -	\$ -
Long-term debt obligations and related interest	(2)	1,244,327	211,750	617,088	162,139	253,350
Operating leases	(3)	203,471	83,808	115,964	3,699	-
Capital lease obligations		-	-	-	-	-
Line of Credit obligation		366,075	366,075	-	-	-
Other long-term debt obligations		-	-	-	-	-
Total contractual cash obligations		<u>\$ 1,868,473</u>	<u>\$ 716,233</u>	<u>\$ 733,052</u>	<u>\$ 165,838</u>	<u>\$ 253,350</u>

(1) Purchase obligations include agreements to purchase services that are enforceable and legally binding on the Company and that specify all significant terms and the approximate timing of the transaction. Purchase obligations exclude agreements that are cancelable without penalty.

(2) Amounts represent the expected cash payments of our long-term obligations.

(3) Amounts represent the expected cash payments of our operating lease obligations.

Item 3. Controls and Procedures

Disclosure Controls and Procedures

As of September 30, 2007, under the direction of our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended. We concluded that our disclosure controls and procedures were effective as of September 30, 2007, such that the information required to be disclosed in our SEC reports is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, and is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Controls

There were no changes in our internal controls over financial reporting during the quarter ended September 30, 2007 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal proceedings

In January 2006, J. Patrick Nicholson applied to the Delaware Chancery Court for an order to compel the Company to allow him access to inspect our corporate and business books and records and our stockholder list. No monetary relief is sought in this action. The Company contends that the documents sought by Mr. Nicholson in this action far exceed those to which he is entitled, and principally relate to his claims in the now-concluded arbitration described above. The Company is vigorously defending this action and has filed a response in the Delaware Chancery Court, but no discovery has been conducted, and no relief has been granted as of the date of this Form 10-QSB.

In July 2006, J. Patrick Nicholson and N-Viro Energy Systems, Inc. filed a Complaint with Jury Demand in the United States District Court for the Northern District of Ohio, against the Company, Ophir Holdings, Inc., Strategic Asset Management, Inc., Robert A. Cooke, the Cooke Family Trust and the following current and former members of our Board of Directors: Daniel J. Haslinger, Phillip Levin, R. Francis DiPrete and Terry J. Logan. The Complaint sought undeterminable damages and other relief from the named defendants. N-Viro filed a motion to dismiss the lawsuit in August 2006. Mr. Nicholson requested several extensions to amend his complaint. An amended complaint alleging mostly the same claims was filed on that date. The Company renewed its motion to dismiss. On October 12, 2007, the Court granted all motions to dismiss, including N-Viro's Motion, and dismissed with prejudice the Amended Complaint in its entirety.

From time to time we are involved in legal actions arising in the ordinary course of business. With respect to these matters, we believe we have adequate legal defenses and/or provided adequate accruals for related costs such that the ultimate outcome will not have a material adverse effect on our future financial position or results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

(a) None

Item 6. Exhibits

Exhibits:
See Exhibit Index below.

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 thereunto duly authorized.

N-VIRO INTERNATIONAL CORPORATION

Date: November 14, 2007

/s/ Timothy R. Kasmoch
Timothy R. Kasmoch
Chief Executive Officer and President
(Principal Executive Officer)

Date: November 14, 2007

/s/ James K. McHugh
James K. McHugh
Chief Financial Officer, Secretary and Treasurer
(Principal Financial & Accounting Officer)

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Document</u>
31.1	Certification of CEO Pursuant to Section 302 of the Sarbanes – Oxley Act of 2002.
31.2	Certification of CFO Pursuant to Section 302 of the Sarbanes – Oxley Act of 2002.
32.1	Certification of CEO Pursuant to Section 906 of the Sarbanes – Oxley Act of 2002.
32.2	Certification of CFO Pursuant to Section 906 of the Sarbanes – Oxley Act of 2002.

N-Viro International Corporation
Certifications

I, Timothy R. Kasmoch, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of N-Viro International Corporation;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in the 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 quarterly report;
4. The registrant's other certifying officer(s) and I am 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; and

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 14, 2007

/s/ Timothy R. Kasmoch
President and Chief Executive Officer

N-Viro International Corporation
Certifications

I, James K. McHugh, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of N-Viro International Corporation;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in the 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 quarterly report;
4. The registrant's other certifying officer(s) and I am 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; and
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 14, 2007

/s/ James K. McHugh
Chief Financial Officer

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Timothy R. Kasmoch, the Chief Executive Officer of N-Viro International Corporation, certify that (i) the Form 10-QSB fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Form 10-QSB fairly presents, in all material respects, the financial condition and results of operations of N-Viro International Corporation.

/s/ Timothy R. Kasmoch
Timothy R. Kasmoch, Chief Executive Officer
November 14, 2007

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, James K. McHugh, the Chief Financial Officer of N-Viro International Corporation, certify that (i) the Form 10-QSB fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Form 10-QSB fairly presents, in all material respects, the financial condition and results of operations of N-Viro International Corporation.

/s/ James K. McHugh
James K. McHugh, Chief Financial Officer
November 14, 2007