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

FORM 10-QSB

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended June 30, 2003

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 No. 000-30069

ENVIRO-ENERGY CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE	95-4520761
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2121 N. Waterworks, Spokane, WA.	99216
(Address of principal executive offices)	(Zip Code)

(509)252-5850
(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. **[X] Yes** [ ] No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] **No [X]**

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. [ ] Yes [ ] No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. **There were 261,948,099 shares of the issuer's common stock outstanding and 4,000,000 issuable preferred stock outstanding as of June 30, 2003.**

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PART I. FINANCIAL INFORMATION

ITEM 1 - CONSOLIDATED FINANCIAL STATEMENTS

ENVIRO-ENERGY CORPORATION
Consolidated Balance Sheet
June 30, 2003
(unaudited)

ASSETS:	
Current assets:	
Cash	$ 95,034
Contracts receivable, including retentions of $281,181	825,035
Accounts receivable:	-
Related parties	305,437
Unbilled receivables	207,247
Other	5,831
Costs and estimated earnings in excess of billings on uncompleted contracts	1,578,496
Prepaid expenses and deposits	69,132
Total current assets	3,086,212
Property and equipment, net	1,902,670
Goodwill	734,231
TOTAL ASSETS	$ 5,723,113
LIABILITIES AND STOCKHOLDERS EQUITY	
Current liabilities:	
Note payable to bank, line of credit	504,617
Current maturities of long-term debt	248,387
Accounts payable:	
Trade	1,501,260
Related parties	71,664
Payroll taxes payable	126,857
Accrued liabilities	101,041
Billings in excess of costs and estimated earnings on uncompleted contracts	89,055
Total current liabilities	2,642,881
Long-term debt, net of current maturities	330,654
Total liabilities	2,973,535
Commitments and contingencies	
Stockholders' equity:	
Preferred stock, $0.001 par value, 10,000,000 shares authorized:	
Shares issued and outstanding	-
Issuable shares, 4,000,000 shares	4,000,000
Common stock, $0.001 par value, 300,000,000 shares authorized; 261,948,099	
Shares issued and outstanding	261,948
Additional paid-in capital	14,416,340
Retained earnings (deficit)	(15,928,710)
Total stockholders' equity	2,749,578
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	$ 5,723,113

See accompanying notes.

ENVIRO-ENERGY CORPORATION
Consolidated Statements of Operations
(unaudited)

	Three Month Period Ended June 30,		Six Month Period Ended June 30,	
	2003	2002	2003	2002
Revenue	$ 2,521,874	$ 5,074,297	$ 4,634,863	$ 7,325,977
Cost of services and products sold	2,453,830	4,406,917	4,172,475	6,283,388
Gross Profit	68,044	667,380	462,388	1,042,589
Operating expenses:				
General and administrative	460,306	434,259	825,137	667,622
Income from operations	(392,262)	233,121	(362,749)	374,967
Interest Income			3,121	
Interest expense	(23,395)	20,337	(46,263)	$ 24,601
Other income (expense)	(311,895)	17,324	(314,056)	61,210
Net income (loss)	$ (727,552)	$ 270,782	$ (719,947)	$ 460,778
Net income (loss) per common share - basic and diluted	$ -	$ -	$ -	$ -

See accompanying notes

ENVIRO-ENERGY CORPORATION
Consolidated Statements of Cash Flows (Unaudited)

	Six Month Period Ended June 30, 2003	Six Month Period Ended June 30, 2002
Reconciliation of Net Income (Loss) to Net Cash used in Operating Activities:		
Net income (loss)	$ (719,947)	$ 460,778
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation, depletion, and amortization	226,357	21,070
Loss on disposition of assets	65,765	-
Issuance of common stock for services	16,000	-
Issuance of common stock for financing	22,000	-
(Increase) decrease in assets:		
Accounts receivables	-	1,627,091
Contract receivables	548,914	-
Unbilled receivables	(45,622)	-
Other receivables	80,235	49,252
Costs and estimated earnings in excess of billings on uncompleted contracts	(460,443)	(3,292,443)
Prepaid expenses and deposits	53,085	(24,541)
Increase (decrease) in liabilities:		
Accounts payable	404,920	1,305,454
Accounts payable - related party	(35,684)	3,527
Payroll taxes payable	(1,872)	-
Other accrued liabilities	25,506	122,376
Billings in excess of costs and estimated earnings on uncompleted contracts	(328,052)	326,039
Total adjustments	571,109	137,825
Net cash provided by (used in) operating activities	(148,838)	598,603
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase (decrease) in related party receivable	32,410	(226,635)
Decrease in short term receivable	22,000	-
Proceeds from sale of property and equipment	30,400	-
Net cash provided by (used in) investing activities	84,810	(226,635)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (Decrease) in bank overdraft	(177,400)	121,090
Increase in line of credit	499,021	-
Decrease in related party note payable	6,391	(46,066)
Principal payments on long-term debt	(169,380)	(446,741)
Net cash provided by (used in) financing activities	158,632	(371,717)
NET INCREASE IN CASH AND CASH EQUIVALENTS	94,604	251
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	430	3,315
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 95,034	$ 3,566

See accompanying notes

Enviro-Energy Corporation
Notes to the Consolidated Financial Statements

Note 1 Description of Business

1(a). Description of Business

Enviro-Energy Corporation, ("Enviro-Energy", the "Company" or "ENGY") was formed in Delaware in May 1994, as Baseball Properties, Inc., a publicly held Delaware Corporation. Baseball Properties, Inc. acquired ThermaFreeze(TM), Inc. in January 1997. Subsequently, the Company's name was changed to ThermaFreeze(TM), Inc. trading under the symbol "THFZ". On July 3, 2001, the Company's name changed to Enviro-Energy Corporation, and the ticker symbol changed to "ENGY".

Enviro-Energy Corporation is composed of two wholly owned corporate entities and the public corporation. The subsidiaries are: Colvico, Inc. of Spokane, Washington which is a general contractor, specializing in electrical contracting; and Energy Flow Management Inc., of Spokane, Washington, which develops a proprietary line of anaerobic digestion systems.

The Company is organized to maximize synergies, internal growth, and use of assets. In particular the Company seeks growth of sales through efforts in conjunction with internally generated new business in bio-waste-to-energy and related sectors.

1(b) Business of issuer

Colvico, Inc.

Colvico, Inc. is primarily an electrical contractor that performs work in the states of Washington, Oregon, Idaho, Montana and California. The revenues are primarily derived under fixed price contracts and time and material contracts. The company maintains a excellent reputation in high voltage construction work and has been successful in maintaining its financial condition through excellent management.

Energy Flow Management Inc.

Energy Flow Management, Inc.,at December 31, 2002 had one major operating unit. Enviro-Energy Bio-Waste-To-Energy Systems organized under Energy Flow Management, Inc., is focused on converting bio-masses into gases, electrical energy and saleable by-products. The Company has contracted for a license for use of the patented Advanced Anaerobic Processing Technology. It has further developed proprietary technology for small-scale systems suitable for farm use. The Company intends to own and operate distributed waste-to-energy systems placed throughout the agricultural community as well as sell systems with maintenance and operating contracts.

The market for these systems is primarily farms generating animal waste from contained herds such as feedlots, dairies, and hogs and poultry operations.

Enviro-Energy's strategy is, to a certain extent dependent, among other factors, on its ability to raise the necessary capital to support its operating subsidiary companies in developing their activities and exploit proprietary technologies. Enviro-Energy has investigated a variety of methods of raising additional working capital such as through the sale of shares of its common stock, through the issue of debt instruments and by potential licensing arrangements. There can be no assurance that Enviro-Energy will raise such capital on terms acceptable to it, if at all. Failure to obtain adequate financing may jeopardize the Company's existence. See "Management's Discussion and Analysis of Financial Condition and Results of Operations".

1(c) Organization and Nature of Operations:

The Company was organized May 1994 under the laws of the State of Delaware, as Baseball Properties, Inc.

In January 1997, the Company acquired ThermaFreeze, Inc., a Nevada corporation, and changed its name to ThermaFreeze, Inc. From January 1997 to February 2001, the Company was considered a development stage company as it attempted to develop certain "cold-packing" technology for market. During February 2001, the Company ceased to pursue the development of the "cold-packing" technology.

On February 28, 2001, the Company acquired 51% of the total outstanding shares of Environmental Reclamation, Inc. (ERI). ERI was engaged in the remediation of heavy metal contaminated soil and properties, remediation and clean up of hazardous waste and illegal drug laboratory operations, abandoned mine reclamation and maintenance of operating mining facilities.

On July 3, 2001, ThermaFreeze Inc. changed its name to Enviro-Energy Corporation. Through the remainder of 2001, the Company attempted to capitalize on its acquisition of ERI. By December 31, 2001, the Company determined that it would be in the best interest of its shareholders to liquidate its ownership in ERI in order to pursue the development of technology in Advanced Anaerobic Digester System.

Energy Flow Management, Inc. (EFMI) is a wholly owned subsidiary acquired in July 2001. EFMI is responsible for developing and promoting the Company's ENVIRO-ENERGY Bio-Waste-to-Energy Systems. The Systems process environmental bio-wastes and pollutants converting them into energy units, "green" fertilizers and recycled water. Energy units are converted into electricity or heat as appropriate. The Systems are intended to provide a practical solution to "contained animal" farmwaste through the effective, efficient and environmentally friendly recycling of natural waste products.

The Company acquired 100% of the outstanding stock of Colvico, Inc. ("Colvico") during January 2002. Colvico is an electrical engineering company located in Spokane, Washington. Its work is performed primarily under fixed price contracts concentrated in the Pacific Northwest. The operating cycle of the Company's contracts varies, but is typically less than one year.

Enviro-Energy Corporation
Notes to the Consolidated Financial Statements

Note 2 - Basis of Presentation.

The accompanying unaudited consolidated financial statements have been prepared in conformity with generally accepted accounting principles and reflect all normal recurring adjustments which, in the opinion of management, are necessary for a fair presentation of the results for the period shown. The results of operations for such period are not necessarily indicative of the results expected for the full year or for any future period. This presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates and assumptions.

The accompanying financial statements should be read in conjunction with the audited financial statements of Enviro-Energy Corporation (the "Company") as of and for the year ended December 31, 2002 and the notes thereto contained in the Company's Annual Report on Form 10KSB for the year ended December 31, 2002, filed with the Security and Exchange Commission.

Note 3 - Summary of Significant Accounting Policies.

The accompanying consolidated financial statements include those of Enviro-Energy Corporation and its consolidated subsidiaries. Inter-company accounts and transactions have been eliminated in consolidation.

Method of accounting for long-term construction contracts

Contract revenue included in the accompanying consolidated financial statements was determined using the percentage-of-completion method of accounting which takes into account the cost, estimated earnings, and revenue-to-date on fixed-fee and cost-plus-fee contracts not yet completed.

The amount of revenue recognized at the balance-sheet date is the portion of the total contract price that the cost expended to date bears to the anticipated final cost based on current estimates of cost to complete. It is not related to the progress billings to customers. This method is used because management considers total cost to be the best available measure of progress on the contracts. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change within the near term.

Because long-term contracts extend over one or more years, changes in job performance, changes in job conditions, and revisions in estimates of cost and earnings during the course of the work are reflected in the accounting period in which the facts that require the revision become known. Claims for additional contract revenue are recognized when realization of the claim is assured and the amount can reasonably be determined.

At the time a loss on a contract becomes known, the entire amount of the estimated ultimate loss is recognized in the consolidated financial statements.

Contracts that are substantially complete are closed for financial statement purposes. Revenue earned on contracts in progress in excess of billings is (Under billings) classified as a current asset. Amounts billed in excess of revenue earned (Over billings)as a current liability.

Enviro-Energy Corporation
Notes to the Consolidated Financial Statements

Note 3 - Summary of Significant Accounting Policies (continued).

Cash and cash equivalents

The Company maintains a cash balance in a non-interest-bearing account that currently does not exceed federally insured limits. For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents.

Accounts receivable

Accounts receivable, including contract receivables, are carried at the original invoice amount and are written off in the period in which they are determined to be un-collectable. Management determines the collect ability of accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history, and current economic conditions. Recoveries of trade receivables previously written off are recorded when received. Management's evaluation resulted in a no allowance for doubtful accounts at the balance-sheet dates.

Property and equipment

Property and equipment are stated at cost and are depreciated using the straight-line method based on the lesser of the estimated useful lives of the assets based on the following life expectancy:

Leasehold improvements	20 years
Equipment	5-10 years
Furniture and fixtures	4-6 years

Repairs and maintenance expenditures are charged to operations as incurred. Major improvements and replacements, which extend the useful life of an asset, are capitalized and depreciated over the remaining estimated useful life of the asset. When assets are retired or sold, the costs and related accumulated depreciation and amortization are eliminated and any resulting gain or loss is reflected in operations.

Goodwill

Goodwill represents the excess of the cost subsidiaries purchased over the assigned value of the net assets acquired. The Company reviews the recoverability of goodwill annually and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The measurement of possible impairment is based primarily on the ability to recover the balance of the goodwill from expected future operating cash flows on an undiscounted basis.

Income per share

Net income per share is presented in accordance with Statement of Financial Accounting Standards No. 128 (SFAS 128) "Earnings Per Share." Those entities that have only common stock outstanding are required to present basic earnings per-share amounts. All other entities are required to present basic and diluted per-share amounts. Diluted per share amounts assume the conversion, exercise or issuance of all potential common stock instruments unless the effect to reduce a loss or increase the income per common share from continuing operations.

Enviro-Energy Corporation
Notes to the Consolidated Financial Statements

Note 3 - Summary of Significant Accounting Policies (continued).

Fair value of financial instruments

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of June 30, 2003. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values. These financial instruments include cash, notes and accounts receivable, accounts payable, and notes payable. Fair values were assumed to approximate carrying values for cash and payables because they are short term in nature and their carrying amounts approximate fair values or their stated interest rates approximate current market rates.

Stock-based compensation

The Company accounts for stock-based awards to employees in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations and has adopted the disclosure-only alternative of FAS No. 123, "Accounting for Stock-Based Compensation." For the quarters ended June 30, 2003 and 2002, there were no stock options issued or outstanding. Common shares granted to consultants, independent representatives and other non-employees are accounted for using the fair value method as prescribed by FAS No. 123.

Deferred income taxes

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Reclassifications

Certain reclassifications of 2002 amounts have been made in the accompanying consolidated financial statements to conform to the 2003 presentation, with no effect on the previously reported net income.

Enviro-Energy Corporation
Notes to the Consolidated Financial Statements

Note 4 - Contracts in progress

For the period ended June 30, 2003 and 2002, contract amounts, costs, estimated earnings, and the related billings to date on completed contracts and contracts in progress were as follows:

	2003		
	Contract Revenues	Contract Cost	Gross Profit
Total construction activity	$4,634,863	$4,158,555	$476,308
Construction contracts completed during the year	312,875	187,638	125,237
Construction contracts in progress at June 30, 2003	$4,321,988	$3,970,917	$351,071

Contracts in progress as of June 30, 2003 were as follows:

Cumulative costs to date	$	4,158,555
Cumulative gross profit to date		476,308
Cumulative revenue earned		4,634,863
Less progress billings to date		3,145,422
Net under billings	**$**	**1,489,441**

Enviro-Energy Corporation
Notes to the Consolidated Financial Statements

Note 4 - Contracts in progress (continued)

The following is included in the accompanying balance sheet under these captions as of June 30, 2003:

Costs and estimated earnings on contracts in progress in excess of billings	$ 1,578,496
Billings in excess of costs and estimated earnings on contracts in progress	89,055
Net under billings	**$ 1,489,441**

Note 5 – License agreement

The Company (through EFMI) has a non-exclusive invention license agreement with the owner of a patent on the "Anaerobic Digester System". The agreement permits the Company to construct, operate, and sell anaerobic digester facilities using the licensed technology. The agreement terminates upon the expiration of the related patent or upon any default of obligations under the agreement. Royalties are payable quarterly at a rate of 8% of gross revenue from use of the technology up to a maximum royalty of $100,000; thereafter, the rate drops to 5%.

Enviro-Energy Corporation
Notes to the Consolidated Financial Statements

Note 6 - Acquisitions

Energy Flow Management, Inc.

On July 7, 2001, the Company signed a Share Exchange Agreement to acquire 100% of Energy Flow Management Inc. (EFMI) for 1,000,000 restricted shares of the Company's $0.001 par value common stock. These restricted shares were escrowed against completion of the first major project of EFMI, which is an Advanced Anaerobic Digester System (AADS), and were issued in 2002. EFMI has a non-exclusive license of patents pending protecting its process and technology for the AADS (see Note 5).

Colvico, Inc.

On January 29, 2002, the Company acquired all of the outstanding common shares of Colvico, Inc. The results of Colvico, Inc.'s operations have been included in the consolidated financial statements since that date. Colvico, Inc. is an electrical general contractor doing business in the states of Washington, Montana, Oregon and California.

The aggregate purchase price was $4,000,000 in preferred stock that is convertible to common stock at a ratio of 4 shares of common stock for one share of preferred stock. The Company had not yet issued the preferred stock and no preferred shares had been converted to common shares through June 30, 2003.

The following table summarizes the estimated value of the assets acquired and liabilities assumed at the date of acquisition. The Company obtained a third-party valuation of certain rolling stock and performed a self-appraisal on titled equipment.

Current assets	$ 3,187,286
Property and equipment	2,552,613
Intangible asset - Goodwill	756,551
Total assets acquired	6,496,450
Current Liabilities	1,796,509
Long-term debt	699,941
Total liabilities assumed	2,496,450
Net assets acquired	**$ 4,000,000**

The depreciable assets acquired have average remaining lives of 5 to 10 years and will be written off to operations during that term.

Enviro-Energy Corporation
Notes to the Consolidated Financial Statements

Note 7 – Commitments and contingencies

Leases

The Company entered into five year operating lease agreements for rental of office and warehouse space in the state of Washington with terms ranging from three to five years. These leases require payments of taxes, insurance, and maintenance costs by the Company. In addition, the Company subleases portions of its office and warehouse facilities under a month-to-month lease agreement for $2,000 per month.

Penalties

The Company is subject to various penalties and liquidated damages in the event that certain jobs are not completed by the contracted completion date. Management does not believe that the outcome of these matters will have a material effect on the Company's financial position or results of operations.

Lease Guarantees

The Company guaranteed certain non-cancelable operating leases on behalf of a related party.

Bonding Agreements

The Company has a bonding agreement with a surety company for its projects. As part of the bonding agreement, the surety has recourse against all of the Company's assets, and the surety's obligations are indemnified by the Company's president/

Lease Litigation

In February 2002 the Company entered into a long-term operating lease agreement for office facilities. Later in 2002 management vacated the leased facility and sought to terminate the lease. In October 2002 the lessor filed a suit against the Company seeking approximately $200,000 of the remaining lease payments.

Note 8 - Retirement plan

Colvico, Inc. maintains a profit sharing plan which covers all nonunion employees who have met the specific requirements as to age and length of service. Employees are eligible upon completing one year of service and attaining the age of 21. An employee must work at least 1,000 hours during a 12-month period for purposes of eligibility. The contribution each year is determined by the Company, and each participant receives an allocation of the annual contribution in proportion to his/her compensation for the plan year.

In addition, the Company pays union retirement benefits for workers covered under collective bargaining agreements. The Company does not administer these retirement plans and includes the benefit costs in job costs.

Note 9 - Stockholders' equity

For the six month period ending June 30, 2003, the company had the following transactions involving capital stock:

1. Issued 2,000,000 of restricted shares in exchange for 1,000,000 shares of tradeable common shares and sold the tradeable shares at market for $22,000 cash.

2. Issued 1,000,000 of restricted shares for services, with a market value of $16,000.

Note 10 - Related party transaction

The Company has accounts receivable - related parties (Colvico's president and related Companies) of $305,437 and accounts payable related parties (companies owned by Colvico's president) of $32,974 at June 30, 2003.

ITEM 2 - MANAGEMENT DISCUSSION & ANALYSIS OF PLAN OF OPERATION

The following discussion and analysis should be read in conjunction with the Company's Financial Statements and notes thereto included elsewhere in this Form 10-QSB. Except for historical information contained herein, the discussion in this Form 10-QSB contains certain forward looking statements that involve the risks and uncertainties, such as statements of the Company's plans, objectives, expectations and intentions. The cautionary statements made in this Form 10-QSB should be read as being applicable to all related forward-looking statements wherever they appear in this Form 10-QSB. These statements include, without limitation, statements concerning potential operations and results of the company and information relating to the quarter ending June 2003 matters, described below. The company's actual results could differ materially from those discussed herein. Factors that could cause or contribute to such differences include, without limitation, to those factors discussed herein and in the Company's Form 10-KSB for the year ending December 31, 2002.

A. Overview

During 2002 as the Company expanded, it became apparent that to maximize the potential of the Company, management had to make critical decisions concerning focus and allocation of resources. Analysis of various factors suggested that significant growth might be realized in bio-waste conversion sectors. The remediation and reclamation sectors required more intensive investments of critical resources with perhaps more certain, but less dramatic impacts to revenue, profit and long term sustained growth. Therefore management elected to implement strategies which had the potential to rapidly develop its bio-waste business and abandon its investment in its remediation and reclamation group. Due to a lack of funds available from continuing operations in ENGY, the development of the bio-waste business has been suspended, until the cash required to operate this segment of the Company is available.

As stated above, capital continues to be an issue for the Company as its attempts to expand its business base and develop new products. A number of strategies are under consideration including; seeking traditional lines of generating operating capital with company assets, joint ventures, and direct investments into specific operating units by outside organizations seeking access to our technologies and engineering capabilities.

Bio-Waste Sector

This sector is organized under Energy Flow Management, Inc., a wholly owned subsidiary of the Company.

The Company emerged from 2002 with what is thought to be a substantial opportunity to enter a mature market in need of product. Bio-wastes are created by virtually anything that is alive or was once a living organism. Food processing, crop harvests, wastes from confined animal feeding operations such as dairies, feedlots, poultry farms and similar operations generate huge sums of bio-wastes. The subsequent disposal or reduction of bio-wastes create a market the Company deems an excellent business opportunity.

The vast majority of farms in the world are small. To be price and operationally viable any solution capable of satisfying total demands needs to be produced in some sort of manufactured mode with remote monitoring and operations controls designed into the system. This is especially true in the small herd size operations.

The Company believed that it had designed such a product using extensive modifications to the non-exclusive license of a patent for large scale bio-waste remediation. Preliminary results from product announcements, together with market size data, convinced management this market was segmented by size, type of CAFO (confined animal feeding operation) operation and economic strength of the prospect.. The Company also used market data to redefine its position about the small bio-waste producer; and those larger and more sophisticated operations that produce many tons per day of bio-wastes. Some geographical areas in the US have higher concentrations of CAFO operations than others. These CAFO operations may be for cattle and dairies, horse, poultry, swine or meat packing operations. Each of these separate forms of CAFO operations may well benefit from the use of an anaerobic digestion system, yet each has a quite different economic profile. These are the considerations that will determine specifically how each segment of the market is addressed.

The Company had to overcome several hurdles to enter this market successfully. First, the Company needed critical operating mass. At the conclusion of 2001 the Company was not yet large enough to carry the financial burden of this development. Second, the Company needed a strategy to support field operations. Due to energy conversion requirements, the majority of operating and maintenance costs are derived from the need for sophisticated and well trained electrical personnel. However, service loads in a small system do not support the expense of one person. Therefore the Company needed an economical solution to carry the costs of skilled staff until a given geographic area developed sufficient units to carry its overhead. Third, manufacturing requires facilities and expertise. The Company did not wish to subcontract manufacturing for a variety of reasons but did not yet have internal capacity. Finally, it was evident that the Company needed to manufacture and install a demonstration facility as soon as possible. These issues defined the acquisition strategy for the Company.

During the year 2002 and 2003, the Company initiated the process of manufacturing, installing and testing of its first facility on a dairy farm. At the end of May 2003, all testing and implementation of operating procedures were stopped due to lack of available funds. This activity will be restarted when additional funds are available from continuing operations or from other forms of capital.

Electrical Contracting Sector

On January 29, 2002 the Company completed the acquisition of Colvico, Inc., a company with sustainable revenues and profit, electrical expertise, manufacturing capacity and geographic resources within the initial market area of the Company. Due to a down turn in the construction industry, revenues and profits have been affected, resulting in less capital available to support additional business activities outside of the primary business for Colvico, Inc.

RESULTS OF OPERATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2003 COMPARED WITH THE THREE MONTH PERIOD ENDED MARCH 31, 2002.

Revenues from the company were generated primarily from Colvico, Inc. a wholly owned subsidiary for both periods.

Total revenues for the six month period ended June 30, 2003 decreased by $2,690,114 to $4,634,863 from $7,325,977 for the six months ended June 30, 2002.

The decrease was due to a tighter market in the construction industry.

COST OF SALES. The Company's cost of sales consists primarily of : direct and indirect costs incurred in connection with construction projects. Total cost of sales for the six months ended June 30, 2003 decreased by $ 2,110,913 to $ 4,172,475 from $6,283,388 for the six months ended June 30, 2002

As a result of the foregoing, gross profit for the six months ended June 30, 2003 decreased by $ 580,201 to $ 462,388 or 9.88% of net revenues, compared to $1,042,589, or 14.23% of net revenues, for the six months ended June 31, 2002.

GENERAL AND ADMINISTRATIVE EXPENSE. General and administrative expenses for the six months ended June 30, 2003 increased by $ 157,515 to $ 825,137 from $667,622 for the six months ended June 30, 2002. This decrease was primarily due layoffs and not replacing positions vacated.

OTHER INCOME (EXPENSE) . Other income for the six months ended June 30, 2003 decreased by $4 $ 43,632 to an expense of $23,395 as compared to income for the six months ended June 30, 2002 of $ 20,337. Other expenses increased by $314,056 for the six months ended June 30, 2003 and was due to a payment for a lease guaranteed by Colvico, Inc.

LIQUIDITY AND CAPITAL RESOURCES. From its inception through June 30, 2003, the Company has incurred cumulative losses of approximately $16,000,000. The Company has financed its operations to date through borrowings, and the issuance of common stock.

As of June 30, 2003 the company had working capital of $ 443,320. Including cash of $95,034, contracts and accounts receivable of $1,021,885, other receivables of $311,268 Costs and estimated earnings in excess of billings of $1,578,496 and prepaid expense of $69,132 offset by accounts payable of $ 1,501,260 line of credit of $504,617, note from shareholder and related parties of $71,655, current maturities of long-term debt of $248,387, billings in excess of costs and estimated earnings on uncompleted contracts of $89,055 and accrued expenses of $227,898.

The company has incurred cumulative losses since its inception and, therefore, has not been subject to federal income taxes. Through June 30, 2003, the Company has generated net operating losses in excess of $16,000,000 that may be available to reduce future taxable income and future tax liabilities. These carry forwards expire incrementally through 2018.

Based on its current operating plan, the Company projects that the cash available as a result of cash flow from operations and the available line of credit will be sufficient to satisfy its operational and capital requirements through September 2003. Accordingly the Company is actively seeking additional capital. However, as yet the Company has no firm commitments for any future funding and may not be able to obtain capital in the future on satisfactory terms or at all. If the Company does not obtain additional financing, it would be unable to continue its development and marketing of the bio-waste sector.

ITEM 3. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Within the 90 days prior to the date of this report, the company carried out an evaluation, under the supervision and with the participation of the company's management of the effectiveness of the design and operation of the company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon that evaluation, management concluded that the company's disclosure controls and procedures are effective in timely alerting them to material information relating to the company required to be included in the company's periodic SEC filings. There were no changes in the company’s internal controls over financial reporting that occurred during the quarter ended June 30, 2003, that have materially affected, or is reasonably likely to materially affect, the Company’s internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

In February 2002 the Company entered into a long-term operating lease agreement for office facilities. Later in 2002 management vacated the leased facility and sought to terminate the lease. In October 2002 the lessor filed a suit against the Company seeking approximately $200,000 of the remaining lease payments. The parties are exploring possible settlement and management and legal counsel currently estimate the loss to total approximately $47,000, which was accrued at June 30, 2003.

On June 30, 0003 a lawsuit was filed against the Company by a former officers/shareholders of Enviromental Reclamation Inc., which was sold to Reed Holdings Co. in 2001. The complaint alleges that the Company owes this group of individuals $435,361 plus interest at prime rate. The final outcome of this suit is uncertain at this date.

ITEM 2 - CHANGES IN SECURITIES

During the quarter ended June 30, 2003, the Company issued no additional shares.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5 - OTHER INFORMATION

Information disclosed in Form 8-K – Filed July 17,2003, Repeated here for shareholder information

The Company disclosed in the March 31, 2003 Form 10QSB that it was investigating certain cash advances made through a subsidiary, Colvico, Inc., to Cory Colvin, who is the president of Colvico, Inc. and a director and principal shareholder of Enviro-Energy Corporation. The advances were made from a line of credit established for Colvico's benefit at Washington Trust Bank in Spokane, Washington and guaranteed personally by Cory Colvin. Prior to its acquisition by Enviro-Energy Corporation in January 2002, Colvico, Inc. was wholly owned by Mr. Colvin.

As previously reported, Mr. Colvin believed many of the advanced funds were used to pay obligations that, although unrelated to Colvico, Inc., were nonetheless incurred by Colvico, Inc. prior to its acquisition by the Company. Nevertheless, Mr. Colvin assured the Company that he would promptly repay any funds he may have improperly caused to have been advanced to him by Colvico, Inc.

As of the execution of the Form 8K, management has verified that an item in the amount of $337,375 for a lease guaranteed by Colvico, Inc. which was disclosed in the 10KSB, was incorrectly classified as a loan to Mr. Colvin. Additionally, Mr. Colvin has repaid $360,070 of the funds in question, in cash. The total reduction to Mr. Colvin's loan receivable account as of the date of this filing is $672,220, leaving a balance due of $224,532. The remaining amount due represents funds advanced prior to the acquisition of Colvico by Enviro-Energy Corporation in 2002, as was reported in the December 31, 2002 financial statements published with the Form 10KSB for 2002.

Enviro-Energy Corporation and Colvico, Inc. continue to review the history of the loan and will make appropriate arrangements at the conclusion of their investigations. The Company and it's subsidiary will continue to separately review their accounting controls and procedures to ensure that no one person is able to authorize advances under the Colvico or any other line of credit without proper approvals.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a) The following Exhibit is furnished in accordance with Item 601 of Regulation S-B:

Exhibit 31 – Certification required by Rule 13a-14(a) or Rule 15d-14(a).

Exhibit 32 – Certification required by Rule 13a-14(b) or Rule 15d-14(b) and section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.

All other items omitted as not applicable or incorporated by reference to previous filings.

b) REPORTS ON FORM 8-K

The Company filed the following Form 8-K with the Securities and Exchange Commission during the quarter ended June 30, 2003:

06/17/2003	8-K	Item 6

PART III. SIGNATURES

Pursuant to the requirements of the Securities and Exchange act of 1934, the Registrant has duly caused this report to be signed on behalf of the undersigned thereunto duly authorized.

ENVIRO-ENERGY CORPORATION

Date: August 19, 2003

/s/Cory Colvin
Cory Colvin
Director

Exhibit 31

CERTIFICATION

I, Cory Colvin , certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Enviro-Energy 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 this quarterly 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 small business issuer'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 small business issuer 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 small business issuer, 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 small business issuer'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 small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. I have disclosed, based on our most recent evaluation, 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 in the design or operations of internal controls which could adversely affect the Registrant’s ability to record, process, summarize and report financial data and have identified for the Registrant’s auditors any material weaknesses in internal controls; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal controls; and

6. I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: August 19, 2003

/s/ Cory Colvin
Director

EXHIBIT 32

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

I, Cory Colvin, Director of Enviro-Energy Corporation (the "Registrant") do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. This Quarterly Report on Form 10-QSB of the Registrant for the fiscal period ended June 30, 2003, as filed with the Securities and Exchange Commission (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 Registrant.

Date: August 19, 2003

/s/ Cory Colvin
Director