SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

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

DATE OF REPORT (date of earliest event reported): September 12, 1996

USA WASTE SERVICES, INC.
(Exact name of registrant as specified in its charter)

Commission file number 1-12154

DELAWARE	73-1309529
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
5400 LBJ FREEWAY, SUITE 300 - TOWER ONE DALLAS, TEXAS	75240
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (972) 383-7900

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Pro Forma Condensed Consolidated Financial Statements

The pro forma condensed consolidated financial statements of USA Waste Services, Inc. and subsidiaries (the "Company") listed below present the pro forma balance sheet as if the acquisitions which occurred after June 30, 1996 were consummated as of that date, and pro forma results of operations as if 1996 acquisitions had occured on January 1, 1995. The pro forma condensed consolidated balance sheet is as of June 30, 1996. The pro forma condensed consolidated statements of operations are for the six months ended June 30, 1996 and for the year ended December 31, 1995.

(b) Exhibits

23.1 Consent of Independent Auditors

23.2 Consent of Independent Accountants

23.3 Consent of Independent Auditors

23.4 Consent of Independent Auditors

23.5 Consent of Independent Auditors

23.6 Consent of Independent Public Accountants

23.7 Consent of Independent Auditors

INDEX TO PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

USA WASTE SERVICES, INC.
PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

During 1996, USA Waste Services, Inc. (the "Company") acquired several waste collection businesses and landfills, at various dates, as described in Notes 2 and 16 to the 1995 Supplemental Consolidated Financial Statements and Notes 1 and 5 to the 1996 Supplemental Interim Condensed Consolidated Financial Statements included in the Company's Current Report on Form 8-K dated November 12, 1996, filed in connection with the acquisition of Sanifill, Inc. (the "Supplemental Financial Statements"). For those acquisitions accounted for under the pooling of interests method, the financial statements of the acquired companies are included with the Supplemental Financial Statements at their historical amounts, and, if material, all periods presented are restated as if the combination occurred on the first day of the earliest year presented. For acquisitions accounted for as purchases, the financial statements of the businesses acquired are included with the Supplemental Financial Statements since the date of the acquisitions.

The accompanying pro forma condensed consolidated balance sheet as of June 30, 1996 has been prepared as if the acquisitions which occurred after June 30, 1996 were consummated as of that date. The accompanying pro forma condensed consolidated statements of operations for the year ended December 31, 1995 and for the six month period ended June 30, 1996 present the pro forma results of operations of the Company as if the 1996 acquisitions had occurred on January 1, 1995. The accompanying pro forma condensed consolidated financial statements should be read in conjunction with the Supplemental Financial Statements.

USA WASTE SERVICES, INC.
PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
(In Thousands, Except Share and Par Value Amounts)
(Unaudited)

June 30, 1996

	SUPPLEMENTAL (NOTE 1)	BUSINESSES ACQUIRED AFTER JUNE 30, 1996 (NOTE 2)	PRO FORMA
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 34,626	($11,787)	$ 22,839
Accounts receivable, net	176,422	1,254	177,676
Notes and other receivables	14,343	--	14,343
Deferred income taxes	38,870	--	38,870
Prepaid expenses and other	39,333	213	39,546
Total current assets	303,594	(10,320)	293,274
Notes and other receivables	28,937	--	28,937
Property and equipment, net	1,586,353	97,139	1,683,492
Excess of cost over net assets of acquired business, net	278,494	132,623	411,117
Other intangible assets, net	63,185	6,127	69,312
Other assets	117,332	2,386	119,718
Total assets	$ 2,377,895	$ 227,955	$ 2,605,850
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Accounts payable	$ 73,154	426	$ 73,580
Accrued liabilities	93,170	3,045	96,215
Deferred revenues	15,853	374	16,227
Current maturities of long-term debt	24,766	2,863	27,629
Total current liabilities	206,943	6,708	213,651
Long-term debt	928,147	108,758	1,036,905
Closure, post-closure, and other liabilities	167,812	25,166	192,978
Deferred income taxes	28,845	29,400	58,245
	1,331,747	170,032	1,501,353
Commitments and contingencies			
Stockholders' equity:			
Preferred stock: $1.00 par value; 10,000,000 shares authorized; none issued	--	--	--
Common stock: $.01 par value; 150,000,000 shares authorized; historical 134,289,891 shares (137,184,979 pro forma shares) issued and outstanding	1,343	29	1,372
Additional paid-in capital	1,167,105	59,444	1,226,549
Retained earnings (accumulated deficit)	(107,170)	(1,352)	(108,522)
Foreign currency translation adjustment	(14,646)	--	(14,646)
Less treasury stock at cost, 23,485 shares	(484)	(198)	(682)
Total stockholders' equity	1,046,148	57,923	1,104,071
Total liabilities and stockholders' equity	$ 2,377,895	$ 227,955	$ 2,605,850

NOTE 1 The supplemental consolidated balance sheet will become the historical consolidated balance sheet of the Company after financial statements covering the date of consummation of the Sanifill, Inc. merger (August 30, 1996) are issued.

NOTE 2 To reflect the historical balance sheet for acquisitions accounted for as poolings of interests and the purchase price allocations for acquisitions accounted for as purchases.

See notes to pro forma condensed consolidated financial statements.

USA WASTE SERVICES, INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(In Thousands, Except Per Share Amounts)
(Unaudited)

For the Six Months Ended June 30, 1996

	SUPPLEMENTAL (NOTE 1)	BUSINESSES ACQUIRED THROUGH JUNE 30, 1996 (NOTE 2)	BUSINESSES ACQUIRED AFTER JUNE 30, 1996 (NOTE 3)	PRO FORMA ADJUSTMENTS	PRO FORMA
Operating revenues	$ 610,267	$ 28,513	$ 42,711	$ --	$ 681,491
Costs and expenses:					
Operating	336,211	15,739	12,530	--	364,479
General and administrative	76,853	4,252	4,218	--	85,323
Depreciation and amortization	69,804	3,745	2,986	--	76,536
Merger costs	38,100	--	--	--	38,100
Unusual items	12,952	--	--	--	12,952
	533,920	23,736	19,734	--	577,390
Income from operations	76,347	4,777	22,977	--	104,100
Other income (expense):					
Interest expense	(22,457)	(3,024)	(9,641)	--	(35,122)
Interest income	2,998	96	128	--	3,222
Other income, net	2,542	(38)	47	--	2,552
	(16,917)	(2,966)	(9,465)	--	(29,348)
Income before provision for income taxes	59,430	1,811	13,511	--	74,752
Provision for income taxes	33,846	721	5,469	(61)(a)	39,975
Net income	$ 25,584	$ 1,091	$ 8,042	$ 61	$ 34,778
Earnings per common share	$ 0.19				$ 0.25
Weighted average number of common and common equivalent shares outstanding	135,790	1,375	2,895		140,060

NOTE 1 The supplemental consolidated statement of operations will become the historical consolidated statement of operations of the Company after financial statements covering the date of consummation of the Sanifill, Inc. merger (August 30, 1996) are issued.

NOTE 2 To reflect the revenues and expenses of businesses acquired during 1996 for the periods from January 1, 1996 through the dates of acquisition.

NOTE 3 To reflect the revenues and expenses of businesses acquired subsequent to June 30, 1996 for the six months ended June 30, 1996.

See notes to pro forma condensed consolidated financial statements.

USA WASTE SERVICES, INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(In Thousands, Except Per Share Amounts)
(Unaudited)

For the Year Ended December 31, 1995

	SUPPLEMENTAL (NOTE 1)	AUDITED BUSINESSES ACQUIRED AFTER DECEMBER 31, 1995	OTHER BUSINESSES ACQUIRED AFTER DECEMBER 31, 1995	PRO FORMA ADJUSTMENTS	PRO FORMA
Operating revenues	$ 987,705	$ 127,054	$ 96,090	$ --	$ 1,210,849
Costs and expenses:					
Operating	551,305	81,778	53,147	--	686,230
General and administrative	140,051	24,377	14,730	--	179,158
Depreciation and amortization	119,570	13,225	8,340	--	141,135
Merger costs	25,639	--	--	--	25,639
Unusual items	4,733	--	--	--	4,733
	841,298	119,380	76,217	--	1,036,895
Income from operations	146,407	7,674	19,873	--	173,954
Other income (expense):					
Interest expense:					
Nonrecurring	(10,994)	--	--	--	(10,994)
Other	(48,558)	(4,549)	(6,421)	--	(59,528)
Interest income	5,482	325	325	--	6,132
Other income, net	5,143	(1,728)	323	--	3,738
	(48,927)	(5,952)	(5,773)	--	(60,652)
Income before provision for income taxes	97,480	1,722	14,100	--	113,302
Provision for income taxes	44,992	787	1,752	3,788 (a)	51,319
Net income	$ 52,488	$ 935	$ 12,348	$ (3,788)	$ 61,983
Earnings per common share	$ 0.46				$ 0.52 (b)
Weighted average number of common and common equivalent shares outstanding	113,279	847	114	5,303 (b)	119,543

NOTE 1 The supplemental consolidated statement of operations will become the historical consolidated statement of operations of the Company after financial statements covering the date of consummation of the Sanifill, Inc. merger (August 30, 1996) are issued.

See notes to pro forma condensed consolidated financial statements.

USA WASTE SERVICES, INC.
NOTES TO PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The accompanying pro forma condensed consolidated financial statements for the Company have been prepared based upon certain pro forma adjustments to the Supplemental Financial Statements. These pro forma adjustments are described below:

(a) Provision for income taxes reflects the corporate income tax rate of 40% for all acquired businesses.

(b) Pro forma earnings per common share for each period is based on the combined weighted average number of shares outstanding (considering pro forma shares issued by the Company in connection with the acquisitions).

AUDITORS' REPORT

To the Directors of
Transport Sanico Ltee

We have audited the balance sheet of Transport Sanico Ltee as at December 31, 1995 and the statements of earnings and retained earnings and of changes in financial position for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles in Canada.

/s/ DELOITTE & TOUCHE

Chartered Accountants
Montreal, Quebec
October 25, 1996

TRANSPORT SANICO LTEE
STATEMENT OF EARNINGS AND RETAINED EARNINGS
YEAR ENDED DECEMBER 31, 1995

	1995	1994
	$	$ (unaudited)
REVENUE	6,638,214	6,658,879
Operating expenses	4,020,825	4,264,678
Gross margin	2,617,389	2,394,201
Sales and administrative expenses	3,153,346	1,605,090
Amortization of capital assets	5,024	5,479
	3,158,370	1,610,569
(Loss) earnings before income taxes	(540,981)	783,632
Income taxes		
Current (recovery)	(197,608)	298,207
Deferred	768	3,869
	(196,840)	302,076
Net (loss) earnings	(344,141)	481,556
Retained earnings, beginning of year	2,655,763	2,174,207
RETAINED EARNINGS, END OF YEAR	2,311,622	2,655,763

TRANSPORT SANICO LTEE
BALANCE SHEET
AS AT DECEMBER 31, 1995

	1995	1994
	$	$ (unaudited)
ASSETS		
Current assets		
Cash	1,545,665	1,128,048
Accounts receivable	318,263	285,052
Prepaid advances and deposits	158,462	70,490
Advances to affiliated companies	1,858,208	1,892,590
Income taxes	464,238	-
	4,344,836	3,376,180
Capital assets (Note 3)	19,785	28,013
Other assets	-	77,600
	4,364,621	3,481,793
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	799,142	460,894
Advances from affiliated companies	1,251,744	326,364
Income taxes	-	37,427
Deferred income taxes	2,013	1,245
	2,052,899	825,930
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	100	100
Retained earnings	2,311,622	2,655,763
	2,311,722	2,655,863
	4,364,621	3,481,793

TRANSPORT SANICO LTEE

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 1995

	1995	1994
	$	$ (unaudited)
OPERATING ACTIVITIES		
Cash provided by operations		
Net (loss) earnings	(344,141)	481,556
Items not affecting cash		
Amortization of capital assets	5,024	5,479
Gain on sale	-	3,869
Deferred income taxes	768	-
	(338,349)	490,904
Changes in non-cash working capital items	675,162	455,787
	336,813	946,691
INVESTING ACTIVITIES		
Other assets	77,600	92,577
Proceeds on disposal of capital assets	3,204	5,321
	80,804	97,898
Net change in cash	417,617	1,044,589
Cash, beginning of year	1,128,048	83,459
CASH, END OF YEAR	1,545,665	1,128,048

TRANSPORT SANICO LTEE
STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 1995

1. STATUS AND NATURE OF ACTIVITIES

The Company is incorporated under the Canada Business Corporations Act, and is wholly-owned by Intersan Inc. Its main operations are the picking-up and transportation of waste.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada. They have been prepared for filing with the United States Securities and Exchange Commission.The significant accounting policies are as follows:

Revenue recognition

Contract revenues are accounted for when services are rendered.

Capital assets

Capital assets are recorded at acquisition cost and are amortized over their estimated useful lives using the following methods, rates and terms:

	Method	Rate/term
Equipment	diminishing balance	20%
Office furniture	diminishing balance	20%
Automotive equipment	straight-line	5 to 10 years

3. CAPITAL ASSETS

	1995			1994
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	$	$	$	$
				(unaudited)
Equipment	56,231	40,104	16,127	23,845
Office furniture	18,358	16,826	1,532	2,126
Automotive equipment	7,089	4,963	2,126	2,042
	81,678	61,893	19,785	28,013

TRANSPORT SANICO LTEE
STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 1995

4. SHARE CAPITAL

Authorized

An unlimited number of preferred shares, non-voting, without par value

An unlimited number of common shares, without par value

	1995	1994
	$	$
Issued		
100 common shares	100	100

5. RELATED PARTY TRANSACTIONS

During the year, sales and administrative expenses included management fees for an amount of $1,000,000 (nil in 1994) payable to the parent company.

AUDITORS' REPORT

To the Directors of Les entreprises de rebuts Sanipan Inc.

We have audited the balance sheet of the business of Les entreprises de rebuts Sanipan Inc. acquired by USA Waste Services, Inc. as described in Note 1 as at December 31, 1995 and the statements of earnings, retained earnings and changes in financial position for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company, as described above as at December 31, 1995 and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles in Canada.

/s/ DELOITTE & TOUCHE

Chartered Accountants
Montreal, Quebec
October 25, 1996

LES ENTREPRISES DE REBUTS SANIPAN INC.
STATEMENT OF EARNINGS AND RETAINED EARNINGS
YEAR ENDED DECEMBER 31, 1995

	1995	1994
	$	$ (unaudited)
SALES	9,698,011	10,254,600
Operating expenses	7,108,132	6,867,768
Gross margin	2,589,879	3,386,832
Sales and administrative expenses	2,187,376	1,773,221
Write-down of investment	1,077,161	--
Amortization of capital assets	825,208	450,645
	4,089,745	2,223,866
Earnings before income taxes	(1,499,866)	1,162,966
Income taxes		
Current recovery	(258,000)	(13,264)
Deferred	293,000	442,435
	35,000	429,171
Net earnings	(1,534,866)	733,795
Retained earnings, beginning of year	3,600,522	2,866,727
RETAINED EARNINGS, END OF YEAR	2,065,656	3,600,522

LES ENTREPRISES DE REBUTS SANIPAN INC.
BALANCE SHEET
AS AT DECEMBER 31, 1995

	1995	1994
	$	$ (unaudited)
ASSETS		
Current assets		
Cash	--	17,186
Accounts receivable	117,595	96,594
Advances to affiliated companies	2,350,526	2,513,706
Inventories	26,525	26,526
Prepaid expenses	111,617	19,402
Income taxes	441,594	57,744
	3,047,857	2,731,158
Investment, at cost (Note 4)	--	1,077,161
Capital assets (Note 5)	10,588,894	7,569,276
Other assets	--	185,103
	13,636,751	11,562,698
LIABILITIES		
Current liabilities		
Bank indebtedness	1,300,536	--
Accounts payable and accrued liabilities	1,220,574	1,226,872
Advances from affiliated companies	7,755,884	6,095,134
	10,276,994	7,322,006
Provision for post-closure costs	444,000	--
Deferred income taxes	849,101	639,170
	11,570,095	7,961,176
SHAREHOLDER'S EQUITY		
Share capital (Note 6)	1,000	1,000
Retained earnings	2,065,656	3,600,522
	2,066,656	3,601,522
	13,636,751	11,562,698

LES ENTREPRISES DE REBUTS SANIPAN INC.
STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 1995

	1995	1994
	$	$ (unaudited)
OPERATING ACTIVITIES		
Cash provided by operations		
Net earnings	(1,534,866)	733,795
Items not affecting cash		
Amortization	825,208	450,645
Write-down of investment	1,077,161	--
Post closure costs	444,000	--
Deferred income taxes	209,931	367,172
Gain (loss) on sale of equipment	19,916	(313)
	1,041,350	1,551,299
Changes in non-cash working capital items	1,320,567	1,224,002
	2,361,917	2,775,301
INVESTING ACTIVITIES		
Additions to capital assets	(3,959,493)	(2,916,473)
Proceeds on disposal of capital assets	94,751	280
Decrease in outstanding loan from parent	185,103	22,346
	(3,679,639)	(2,893,927)
Net change in cash	(1,317,722)	(118,626)
Cash, beginning of year	17,186	135,812
CASH (BANK INDEBTEDNESS), END OF YEAR	(1,300,536)	17,186

LES ENTREPRISES DE REBUTS SANIPAN INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1995

1. BASIS OF PRESENTATION

The financial statements of Les Entreprises de Rebuts Sanipan Inc. are prepared for the purpose of complying with the rules and regalations of the Securities and Exchange Commission (for inclusion in the current report on form 8K/A of USA Waste Services, Inc.) and reflect the operations of the company with the exclusion of the subsidiaries, Sablix Inc. and 2842-7979 Quebec Inc. since the subsidiaries are not part of the sale agreement to USA Waste Services, Inc.

2. STATUS AND NATURE OF ACTIVITIES

The Company is incorporated under the Canada Business Corporations Act. The Company is held 100% by Intersan Inc. and its principal activity is the operation of a landfill site.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada. The significant accounting policies are:

Investment

The investment in the subsidiaries is recorded at acquisition cost.

Capital assets

Capital assets are reported at cost and amortization is based on their estimated useful life at the following annual rates and terms:

	Method	Rate/term
Building	declining balance	5%
Automotive equipment	straight-line	5 to 10 years
Machinery and equipment	declining balance	20%
Furniture and fixtures	declining balance	20%
Leasehold improvements	straight-line	remaining lease term
Landfill site improvements	landfill utilized	total capacity
Computer equipment	declining balance	20%

4. INVESTMENT, AT COST

	1995	1994
	$	$ (unaudited)
Shares of Sablix Inc., wholly-owned subsidiary	--	15,000
Shares of 2842-7979 Quebec Inc., wholly-owned subsidiary	--	1,062,161
	--	1,077,161

5. CAPITAL ASSETS

	1995			1994
	Cost	Accumulated Depreciation and Amortization	Net Book Value	Net Book Value
	$	$	$	$ (unaudited)
Land	985,075	--	985,075	985,075
Building	173,575	47,061	126,514	132,078
Automotive equipment	60,278	3,766	56,512	12,236
Machinery and equipment	2,214,466	141,663	2,072,803	272,364
Landfill site improvements	9,165,664	1,827,851	7,337,813	6,154,166
Computer equipment	16,370	6,193	10,177	13,357
	12,615,428	2,026,534	10,588,894	7,569,276

SHARE CAPITAL

Authorized

An unlimited number of preferred shares, non-cumulative dividend at 12%, redeemable by the Company at an amount equal to the paid-up capital, without par value

An unlimited number of common shares, voting, without par value

	1995	1994
	$	$ (unaudited)
Issued		
100 common shares	1,000	1,000

7. RELATED PARTY TRANSACTIONS

During the year, sales and administrative expenses included management fees for an amount of $640,000 ($1,000,000 in 1994) payable to the parent company.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Directors of
USA Waste Services, Inc.

We have audited the accompanying historical summary of the net book value of property, plant and equipment of the Combined Ontario and Michigan Operations of the Solid Waste Division of Philip Environmental Inc. for the year ended December 31, 1995. This historical summary is the responsibility of the Company's management. Our responsibility is to express an opinion on the historical summary based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the historical summary is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the historical summary. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the historical summary. We believe that our audit provides a reasonable basis for our opinion.

The accompanying historical summary was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange commission (for inclusion in the Current Report on Form 8K/A of USA Waste Services, Inc.) and is not intended to be a complete presentation of the net book value of property, plant and equipment of the Combined Ontario and Michigan Operations of the Solid Waste Division of Philip Environmental Inc.

In our opinion, the historical summary referred to above presents fairly, in all material respects, the net book value of property, plant and equipment described in Note 1 to the Combined Ontario and Michigan Operations of the Solid Waste Division of Philip Environmental Inc. for the year ended December 31, 1995 in conformity with generally accepted accounting principles.

/s/ DELOITTE & TOUCHE

Chartered Accountants

Mississauga, Ontario
November 8, 1996

COMBINED ONTARIO AND MICHIGAN OPERATIONS OF

THE SOLID WASTE DIVISION OF PHILIP ENVIRONMENTAL INC.

HISTORICAL SUMMARY OF THE NET BOOK VALUE OF
PROPERTY, PLANT AND EQUIPMENT
YEAR ENDED DECEMBER 31, 1995
(ALL AMOUNTS ARE EXPRESSED IN '000S OF U.S. DOLLARS)

	DECEMBER 31, 1995
Net book value	$ 21,480

The accompanying notes are an integral part of the Historical Summary of the Net Book Value of Property, Plant and Equipment.

COMBINED ONTARIO AND MICHIGAN OPERATIONS OF
THE SOLID WASTE DIVISION OF PHILIP ENVIRONMENTAL INC.
NOTES TO THE HISTORICAL SUMMARY OF THE NET BOOK VALUE OF
PROPERTY, PLANT AND EQUIPMENT
DECEMBER 31, 1995

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Combined Ontario and Michigan Operations of the Solid Waste Division of Philip Environmental Inc. (the "Company") included the assets of the following locations and entities:

Blackwell Road Landfill	MacGregor Road Transfer
Brampton Collection/Transfer	Michigan Collection
Brantford Collection	Michigan Landfill
Gore Landfill	Michigan Transfer
Hamilton Collection/Transfer	Petrolia Landfill
K & E Waste Resource	St. Catherines Collection/Transfer

The assets of the Company were acquired by USA Waste Services, Inc. on August 24, 1996.

The historical summary of the net book value of property, plant and equipment reflects the assets attributable to the operations of the Company acquired by USA Waste Services, Inc.

Property, plant and equipment

Property, plant and equipment are stated at cost and are depreciated over their estimated useful lives generally on the following basis: buildings 20 to 40 years straight-line; equipment 5% to 30% straight-line. Landfill sites and improvements thereto are recorded at cost and amortized over the life of the landfill site based on the estimated landfill capacity utilized during the year. Operating costs associated with landfill sites are charged to operations as incurred.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Directors of
USA Waste Services, Inc.

We have audited the accompanying historical summary of revenues and direct operating expenses of the Combined Ontario and Michigan Operations of the Solid Waste Division of Philip Environmental Inc. for the year ended December 31, 1995. This historical summary is the responsibility of the Company's management. Our responsibility is to express an opinion on the historical summary based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the historical summary is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the historical summary. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the historical summary. We believe that our audit provides a reasonable basis for our opinion.

The accompanying historical summary was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange commission (for inclusion in the Current Report on Form 8K/A of USA Waste Services, Inc.) and is not intended to be a complete presentation of the revenues and direct operating expenses of the Combined Ontario and Michigan Operations of the Solid Waste Division of Philip Environmental Inc.

In our opinion, the historical summary referred to above presents fairly, in all material respects, the revenues and direct operating expenses described in Note 1 to the Combined Ontario and Michigan Operations of the Solid Waste Division of Philip Environmental Inc. for the year ended December 31, 1995 in conformity with generally accepted accounting principles.

/s/ DELOITTE & TOUCHE

Chartered Accountants

Mississauga, Ontario
November 8, 1996

COMBINED ONTARIO AND MICHIGAN OPERATIONS OF
THE SOLID WASTE DIVISION OF PHILIP ENVIRONMENTAL INC.
NOTES TO THE HISTORICAL SUMMARY OF REVENUES AND
DIRECT OPERATING EXPENSES
DECEMBER 31, 1995

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Combined Ontario and Michigan Operations of the Solid Waste Division of Philip Environmental Inc. (the "Company") includes the operations of the following locations and entities:

Blackwell Road Landfill	MacGregor Road Transfer
Brampton Collection/Transfer	Michigan Collection
Brantford Collection	Michigan Landfill
Gore Landfill	Michigan Transfer
Hamilton Collection/Transfer	Petrolia Landfill
K & E Waste Resource	St. Catherines Collection/Transfer

The assets of the Company were acquired by USA Waste Services, Inc. on August 24, 1996.

The historical summary of revenues and direct operating expenses reflect the operating revenues and expenses attributable to the operations of the Company acquired by USA Waste Services, Inc.

The historical summary of revenues and direct operating expenses excludes management fees, other income, interest expense and income tax expense since these items are not considered comparable to those which will be reflected in future consolidated financial statements.

Revenues and operating expenses

Revenue from solid waste is recognized upon receipt and acceptance of waste material. Treatment, transportation and disposal costs are accrued when the related revenues are recognized.

The major components of expenses are cost of hauling and disposal, depreciation, amortization, salaries and related expenses, maintenance, insurance and selling general and administration expenses.

COMBINED ONTARIO AND MICHIGAN OPERATIONS OF
THE SOLID WASTE DIVISION OF PHILIP ENVIRONMENTAL INC.
NOTES TO THE HISTORICAL SUMMARY OF REVENUES AND
DIRECT OPERATING EXPENSES
DECEMBER 31, 1995

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

Environmental liability

The Company accrues for the estimated costs relating to the closure and post-closure monitoring of its landfill sites as well as remediation costs associated with its transfer and processing facilities. The Company charges earnings with these estimated future costs based on engineering estimates over the fill rate of landfill sites or the expected life of transfer and processing facilities. Amounts required to dispose of waste materials located at the Company's transfer and processing facilities are accrued when received.

Property, plant and equipment

Property, plant and equipment are stated at cost and are depreciated over their estimated useful lives generally on the following basis: buildings 20 to 40 years straight-line; equipment 5% to 30% straight-line. Landfill sites and improvements thereto are recorded at cost and amortized over the life of the landfill site based on the estimated landfill capacity utilized during the year. Operating costs associated with landfill sites are charged to operations as incurred.

2. RELATED PARTY TRANSACTIONS

The Company had revenue of $7,785,000 with other Philip Environmental Inc. operating units during the year ended December 31, 1995.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders of
Kasper Brothers, Inc.:

We have audited the accompanying balance sheet of Kasper Brothers, Inc. as of September 30, 1995 and the related statements of operations and retained earnings and cash flows for the fiscal year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kasper Brothers, Inc. as of September 30, 1995 and the results of its operations and its cash flows for the fiscal year then ended in conformity with generally accepted accounting principles.

/s/ COOPERS & LYBRAND L.L.P.

2400 Eleven Penn Center
Philadelphia, Pennsylvania
October 15, 1996

KASPER BROTHERS, INC.

BALANCE SHEET
AS OF SEPTEMBER 30, 1995

ASSETS

Current assets:	
Cash and cash equivalents	$ 36,070
Accounts receivable (net of allowance for doubtful accounts of $175,000)	2,079,676
Prepaid and other current assets	212,658
Bid bonds	91,419
Total current assets	2,419,823
Property and equipment:	
Transportation equipment	4,814,516
Containers and compactors	3,431,320
Office furniture and equipment	110,025
	8,355,861
Accumulated depreciation	(6,628,865)
Net property and equipment	1,726,996
Other assets	27,756
Total assets	$ 4,174,575

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:	
Accounts payable	539,720
Accrued expenses	249,828
State corporate taxes payable	3,000
Total current liabilities	792,548
Loans payable - officers	1,518,968
Total liabilities	2,311,516
Stockholders' equity:	
Common stock, $.1 stated value, 10,000 shares authorized, issued and outstanding	1,000
Retained earnings	1,862,059
Total stockholders' equity	1,863,059
Total liabilities and stockholders' equity	$ 4,174,575

See accompanying notes to financial statements.

KASPER BROTHERS, INC.

STATEMENT OF OPERATIONS AND RETAINED EARNINGS
FOR THE YEAR ENDED SEPTEMBER 30, 1995

Operating revenues	$ 13,524,467
Costs and expenses:	
Operating	8,410,654
General and administrative	4,577,392
Depreciation	845,923
	13,833,969
Loss from operations	(309,502)
Other income (expense):	
Interest expense, net	(116,203)
Gain on sale of assets	2,806
	(113,397)
Loss before taxes	(422,899)
Provision for state taxes	4,000
Net loss	(426,899)
Retained earnings at September 30, 1994	2,288,958
Retained earnings at September 30, 1995	$ 1,862,059

See accompanying notes to financial statements.

KASPER BROTHERS, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 1995

Cash flows from operating activities:	
Net loss	$(426,899)
Adjustments to reconcile net (loss) to net cash provided by operating activities:	
Depreciation	845,923
Gain on sale of assets	(2,806)
Provision for bad debts	428,743
Changes in operating assets and liabilities:	
(Increase) in accounts receivable	(352,697)
Decrease in prepaid and other current assets	1,813
Decrease in bid bonds	1,450
Decrease in other assets	133
Increase in accrued expenses	22,725
Increase in corporate taxes payable	3,000
Increase in accounts payable	465,322
Net cash provided by operating activities	986,707
Cash flows from investing activities:	
Purchase of property and equipment	(820,073)
Proceeds from sale of property and equipment	8,293
Net cash used in investing activities	(811,780)
Cash flows from financing activities:	
Officer loan repayments	(619,832)
Net cash used in financing activities	(619,832)
Net decrease in cash and cash equivalents	(444,905)
Cash and cash equivalents at beginning of year	480,975
Cash and cash equivalents at end of year	$ 36,070
Interest expense paid	$ 128,500

See accompanying notes to financial statements.

KASPER BROTHERS, INC.

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND OPERATIONS:

Kasper Brothers, Inc., a Pennsylvania Subchapter S Corporation, was incorporated October 1, 1992. The Company is in the business of collection, transportation and disposal of residential, commercial and industrial wastes and recyclables. Kasper Brothers, Inc. currently services the Philadelphia and New Jersey area.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The significant accounting policies utilized in the preparation of the financial statements are as follows:

CASH AND CASH EQUIVALENTS:

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

PROPERTY AND EQUIPMENT:

Property and equipment are recorded at cost. Depreciation is computed using accelerated methods over the estimated useful lives of the assets, ranging from 5-7 years. Renewals and betterments that extend the economic useful lives of the related assets are capitalized. When property is retired or otherwise disposed of, the cost of the property and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in current operations. Expenditures for maintenance and repairs are charged to expense as incurred.

BID BONDS:

The Company is required to place deposits with high credit quality financial institutions at the inception of certain contracts. The deposits are held in certificates of deposits with Mellon Bank.

The Company has outstanding letters of credit aggregating $39,500.

NOTES TO FINANCIAL STATEMENTS, CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

CONCENTRATION OF CREDIT RISK:

The Company encounters, in the normal course of business, exposure to concentrations of credit risk with respect to trade receivables. Concentrations of credit risk with respect to trade receivables are limited due to the Company's large customer base. Ongoing credit evaluations of customers' financial condition are performed and, generally, no collateral is required. The Company maintains reserves for potential credit losses and such losses have not exceeded management's expectations.

USE OF ESTIMATES:

The preparation 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 disclosures of contingent assets and liabilities at the financial statement date and the reported amounts of revenues during the reporting period. Actual results could differ from those estimates.

INCOME TAXES:

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under such election, the Company's federal taxable income or loss are passed through to the individual shareholders. Therefore, no provision or liability for federal income tax has been included in these financial statements. The Company also elected Subchapter S status for state income tax purposes in Pennsylvania and New Jersey.

3. RETIREMENT PLAN:

The Company has a profit sharing plan covering eligible employees. The Plan requires a two year waiting period for an employee to become eligible, and provides 100% immediate vesting. Company contributions are determined as a percentage of each eligible employee's salary. The contribution for the year ended September 30, 1995 was $222,618.

4. RELATED PARTY TRANSACTIONS:

The Corporation has outstanding uncollateralized loans to corporate officers Francis Kasprzak and John Kasprzak. The total loan balance at September 30, 1995 is $1,518,968. There are no specific repayment terms, but interest is paid at an annual rate of 9% on the outstanding balance. Interest expense incurred in connection with these loans was $128,500 for the year ended September 30, 1995.

The Company rents office space in Pennsylvania from the Betsy Ross Partnership, a related partnership. The partners are Francis Kasprzak, John Kasprzak, and Michael Kasper, who are the shareholders of Kasper Brothers, Inc. The lease is renewed annually. Rent expense for the year ended September 30, 1995 was $135,000.

5. SUBSEQUENT EVENT:

In April 1996, all of the assets of Kasper Brothers, Inc. were acquired by USA Waste Services Inc. The total purchase price was $10,676,000. In addition to the purchase of all assets, the Company entered into a contract not to compete and several employment contracts in the amounts of $450,000 and $600,000, respectively.

REPORT OF INDEPENDENT AUDITORS

The Arnoni Group of Companies
Pittsburgh, Pennsylvania

We have audited the accompanying combined balance sheet of The Arnoni Group of Companies (consisting of The Arnoni Group, Inc., M.C. Arnoni Company, South Hills Disposal Company, Cochran Mill Associates, Inc. and Arnoni Family Partnership) as of December 31, 1995, and the related combined statement of income and retained earnings and combined statement of cash flows for year then ended. These combined financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of The Arnoni Group of Companies as of December 31, 1995, and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

/s/ KAPLAN SIPOS & ASSOCIATES

KAPLAN SIPOS & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Pittsburgh, Pennsylvania
March 11, 1996

THE ARNONI GROUP OF COMPANIES
COMBINED BALANCE SHEET
DECEMBER 31, 1995

ASSETS

Current Assets:	
Cash and Cash Equivalents	$ 1,408,179
Accounts Receivable - Trade	1,244,742
Current Portion of Assets Limited as to Use	365,525
Prepaid Expenses and Other Current Assets	744,412
Total Current Assets	3,762,858
Property, Plant and Equipment	15,262,655
Other Assets:	
Long-Term Investments	430,080
Escrow Funds	1,993,149
Assets Limited as to Use Under Indenture of Trust and Held by Trustee	1,700,000
Intangible Assets	103,776
Other Non-Current Assets	2,121,981
Total Other Assets	6,348,986
Total Assets	$25,374,499

The accompanying notes are an integral part of these financial statements.

THE ARNONI GROUP OF COMPANIES

COMBINED BALANCE SHEET
DECEMBER 31, 1995

LIABILITIES AND EQUITY

Current Liabilities:	
Accounts Payable - Trade	$ 497,918
Current Portion of Long-Term Debt	1,642,706
Unearned Revenue	678,294
Accrued Landfill Closure Costs	--
Other Current Liabilities	801,446
Total Current Liabilities	3,620,364
Long-Term Liabilities:	
Unearned Revenue Net of Current Portion	117,207
Accrued Landfill Closure Costs, Net of Current Portion	4,131,241
Long-Term Debt, Net of Current Portion	15,118,426
Total Liabilities	22,987,238
Minority Interest	1,292
Equity:	
Contributed Capital	308,511
Retained Earnings	2,077,458
Total Equity	2,385,969
Total Liabilities and Equity	$25,374,499

The accompanying notes are an integral part of these financial statements.

THE ARNONI GROUP OF COMPANIES

COMBINED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1995

Disposal Fees	$ 13,541,456
Other Operating Income	92,828
	13,634,284
Operating Expenses	7,255,263
Selling, General and Administrative Expenses	1,816,204
Depreciation, Depletion and Amortization	3,169,601
	12,241,068
Income From Operations	1,393,216
Interest Expense	(1,658,743)
Other Income and Expenses	367,754
Net Income (Loss) Before Minority Interest	102,227
Minority Interest	4,139
Net Income (Loss)	106,366
Retained Earnings - Beginning	2,126,537
Dividends	(155,445)
Retained Earnings - Ending	$ 2,077,458

The accompanying notes are an integral part of these financial statements.

THE ARNONI GROUP OF COMPANIES

COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1995

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Income (Loss)	$ 106,366
Noncash Items Included in Net Income:	
Depreciation, Depletion and Amortization	3,342,053
Minority Interest in the Group	(4,138)
Gain on Assets	(20,638)
Changes In:	
Accounts Receivable - Trade	236,725
Prepaid Expenses and Other Current Assets	(30,717)
Escrow Funds	(217,158)
Intangible Assets	(750)
Other Non-Current Assets	225,470
Accounts Payable - Trade	156,109
Accrued Landfill Closure Costs	36,508
Other Current Liabilities	(122,548)
Unearned Revenue	(526,067)
NET CASH FLOWS FROM OPERATING ACTIVITIES	3,181,215
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net Investing of Assets Held in Trust	32,280
Proceeds From Sale of Equipment	44,500
Property, Plant and Equipment Acquired	(2,782,985)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(2,706,205)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds From Issuance of Long-Term Debt	1,099,880
Principal Payments on Long-Term Debt	(1,403,878)
Dividends Paid	(155,445)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(459,443)
Net Increase in Cash and Cash Equivalents	15,567
Cash and Cash Equivalents - Beginning	1,392,612
Cash and Cash Equivalents - Ending	$ 1,408,179

(Continued)

THE ARNONI GROUP OF COMPANIES

COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1995
(CONTINUED)

Supplemental Disclosure of Cash Flow Information:

Cash Paid During the Year For:	
Interest	$1,670,443
Income Taxes	$ --
Supplemental Schedule of Noncash Investing and Financing Activities:	
Refinancing of Long-Term Debt Obligations	$ 150,296

The accompanying notes are an integral part of these financial statements.

THE ARNONI GROUP OF COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The combined financial statements of The Arnoni Group of Companies are presented on the accrual basis of accounting and are prepared in conformity with generally accepted accounting principles. In order to facilitate the understanding of the data included in the financial statements, summarized below are the more significant accounting policies:

Organization

The Arnoni Group of Companies (the Group) encompasses five commonly controlled companies operating in the non-hazardous solid waste disposal industry. Included in the Group are The Arnoni Group, Inc., M.C. Arnoni Company, South Hills Disposal Company, Cochran Mill Associates, Inc., and Arnoni Family Partnership.

1. The Arnoni Group, Inc. was incorporated on December 23, 1991 and was organized under the laws of the Commonwealth of Pennsylvania. The Company provides management and administrative services to its affiliated companies.

2. M.C. Arnoni Company was formed on December 9, 1960 and was organized under the laws of the Commonwealth of Pennsylvania. The Company is a landfill owner/operator with facilities in Allegheny and Washington Counties, Pennsylvania.

3. South Hills Disposal Company was formed on July 18, 1949 and was organized under the laws of the Commonwealth of Pennsylvania. The Company provides residential and commercial waste collection services to the metropolitan Pittsburgh, Pennsylvania area.

4. Cochran Mill Associates, Inc. was incorporated on January 25, 1991 and was organized under the laws of the Commonwealth of Pennsylvania. The Company provides other waste industry services.

5. Arnoni Family Partnership was organized as a general partnership under the Pennsylvania Uniform Partnership Act. The Partnership participates in real estate and other investment activities.

Principles of Combination

The combined 1995 financial statements of the Group include the financial position, results of operations and cash flows of The Arnoni Group, Inc., M.C. Arnoni Company, South Hills Disposal Company Cochran Mill Associates, Inc., and Arnoni Family Partnership. All significant intercompany accounts and transactions have been eliminated.

THE ARNONI GROUP OF COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 1995
(CONTINUED)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates Used By Management

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Revenue Recognition

The Group recognizes revenue at the time waste disposal services are provided.

Amortization

Intangible assets include goodwill, organization costs, acquired contracts, non-compete covenants and other fees. Intangible assets are presented net of accumulated amortization of $223,730 and $467,309 in 1995 and 1994, respectively. Amortization expense charged to operations in 1995 and 1994 was $33,660 and $110,032, respectively.

Depreciation

The cost of property, equipment and leasehold improvements is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight-line and accelerated methods for financial reporting purposes and accelerated methods allowed under the Internal Revenue Code for income tax purposes.

Depletion

Landfill and landfill improvement costs, which have been incurred or estimated for the development of the entire permitted site, including engineering and professional costs associated with landfill construction, are depleted based upon total units of airspace filled during the year in relation to estimated total permitted airspace capacity. Land held for future development, outside of the currently permitted area, is excluded from depletion.

Cash Flows

The Group considers all short-term unrestricted investments with an original maturity of three months or less to be cash equivalents for the statement of cash flows.

THE ARNONI GROUP OF COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 1995
(CONTINUED)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

M.C. Arnoni Company, South Hills Disposal Company, The Arnoni Group, Inc. and Cochran Mill Associates, Inc. have elected treatment as small business corporations (S Corporations) for federal and state income taxation purposes. This election relieves the Companies of most federal and state income tax liability, with income being taxable directly to the stockholders.

M.C. Arnoni Company and South Hills Disposal Company organized as Pennsylvania business trusts effective February 28, 1993.

Bad Debts on Accounts Receivable

The Group uses the direct write-off method of recognizing bad debts, as such amounts are normally not significant.

Concentration of Credit Risk

The Group grants credit to its customers, substantially all of whom are either; a) located in the Pittsburgh, Pennsylvania metropolitan area or b) involved with the waste industry.

The Group maintains balances on deposit with financial institutions at times, such balances exceed the maximum amount of coverage provided by the institutions' insurance programs.

Landfill Expansion Project Costs

In connection with landfill expansion plans, the Group incurs engineering, construction and professional costs. Costs associated with successful expansion applications are capitalized as part of the landfill site.

Accrued Landfill costs

The Group records landfill closure liabilities based upon estimates provided by the Group's internal engineers. The expense of closure activities is recognized ratably over the useful life of the landfill, based upon total units of airspace filled during the year. The portion of the recognized closure liability that is allocable to unutilized sections of the landfill has been recorded as a deferred charge. The deferred charge will be amortized to expense, ratably, as related portions of the landfill are utilized. Management anticipates that in 1996 landfill permit modifications will be submitted by the Group and if approved, significant changes in the landfill closure estimate calculations may result.

THE ARNONI GROUP OF COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 1995
(CONTINUED)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Escrow Funds

The Pennsylvania Department of Environmental Resources requires landfill operators to post bonds in order to operate in Pennsylvania. In addition, there are collateral bond requirements for landfill expansion and closure obligations. The Group has satisfied such requirements by delivering letters of credit backed by marketable securities.

Long-Term Investments

The Group's long-term investments include investments in certain real estate and equity securities recorded at cost, which approximate market values.

NOTE B - PROPERTY, PLANT AND EQUIPMENT

The following is a summary of property, plant and equipment - at cost, less accumulated depreciation:

Landfill	$ 18,897,540
Land	296,096
Land Improvements	101,468
Building	720,152
Office Furniture and Equipment	219,593
Machinery and Equipment	4,739,980
Transportation Equipment	4,415,796
	29,390,625
Less: Accumulated Depletion and Depreciation	(14,127,970)
	$ 15,262,655

Depletion and depreciation expense charged to operations was $3,135,941 in 1995. Depreciation charges capitalized as part of the landfill site construction amounted to $172,452 in 1995.

Various pieces of machinery and equipment are pledged as collateral for loans.

THE ARNONI GROUP OF COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 1995
(CONTINUED)

NOTE C - ASSETS LIMITED AS TO USE

Pursuant to the terms of the agreement to finance the construction of its landfill expansion, the following funds are held in trust at December 31, 1995:

Debt Service Reserve Fund	$ 1,743,836
Debt Service Fund	218,860
Revenue Fund	93,621
	2,056,317
Accrued Interest Receivable	9,208
	2,065,525
Less Assets to be Used Within One Year	(365,525)
	$ 1,700,000

The funds held by trustee consist of the following securities which are valued at cost at December 31, 1995:

U.S. Treasury Notes	$1,688,578
Money Market Investments	367,739
	2,056,317
Accrued Interest Receivable	9,208
	$2,065,525

The fair market value of the trusteed funds approximates $2,085,793 at December 31, 1995.

The trusteed funds were created pursuant to an indenture of trust upon the issuance of Industrial Revenue Bonds to finance the construction of the Group's landfill expansion. The funds were established to; a) provide a vehicle for the payment of the principal and interest on the Group's debt obligation arising from the bond issuance, b) provide a vehicle for the disbursement of funds related to the construction of landfill expansion facilities, c) accumulate and disburse funds for the Group's operations and maintenance and d) accumulate and disburse funds for arbitrage rebate requirements.

THE ARNONI GROUP OF COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 1995
(CONTINUED)

NOTE D- BORROWED FUNDS

Following is a summary of borrowed funds at December 31, 1995:

Industrial Revenue Bonds Description: Installment Debt Maturity Date: November 1, 2006 Interest Rate: Applicable Bond Rate at Issue Date Secured By: First mortgage on landfill facilities and security interest in unexpended funds Repayment Terms: Annual principal payments due and payable each November 1, ranging from $790,000 in 1996 to $2,010,000 in 2006 plus interest Covenants: Provisions of the loan agreement require the Group to maintain certain debt covenants	$14,480,000
Notes Payable - Various Description: 21 Installment Loans Maturity Date: Various dates ranging from October, 1996 to January, 2001 Interest Rate: Rates vary from 6.96% to 9.80% Secured By: Equipment Repayment Term: Monthly principal and interest payments of $79,917	2,031,729
Mortgages Payable Description: 2 Installment Loans Maturity Date: Various dates ranging from October, 1997 to February, 2001 Interest Rate: Rates vary from 8.5% to 9% Secured By: Property Repayment Terms: Monthly principal and interest Payments of $1,936	68,875
Subtotal	$16,580,604

THE ARNONI GROUP OF COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 1995
(CONTINUED)

NOTE D - BORROWED FUNDS (CONTINUED)

Balance Forward	$16,580,604
Note Payable - Individual Description: Installment Loan Maturity Date: January, 1999 Interest Rate: 8% Secured By: Real and Personal Property Repayment Terms: Monthly principal and interest payments of $5,455	180,528
	$16,761,132
Current Portion	$ 1,642,706
Long-Term Portion	15,118,426
	$16,761,132

Following are maturities of long term debt for each of the next five year and in the aggregate:

1996	$1,642,706
1997	1,556,801
1998	1,418,764
1999	1,241,895
2000	1,225,882
Thereafter	9,675,084
	$16,761,132

At December 31, 1995, the Group had total bank commitments of $500,000 on a line of credit, of which $500,000 was available at December 31, 1995.

THE ARNONI GROUP OF COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 1995
(CONTINUED)

NOTE E - LANDFILL CLOSURE LIABILITIES

Landfill closure activities involve monitoring and maintaining the landfill for a twenty year period subsequent to closing of the landfill. Based upon estimates by the Group's internal engineers, the total anticipated and accrued landfill closure costs as of December 31, 1995 amounted to $4,131,241. Closure obligations which are required to be satisfied within one year are classified as a current liability in the financial statements.

The portion of the recognized closure liability that is allocable to unutilized sections of the landfill has been recorded as a deferred charge and included in other assets. This deferred charge amounted to $2,475,600 at December 31, 1995. The portion of the deferred charge that is expected to be recognized within one year is classified as a current asset in the financial statements.

NOTE F - PENSION PLAN

The Group maintains a defined contribution pension plan that covers all employees that meet the eligibility requirements. Pension costs are determined at the discretion of the Board of Directors, and are accrued and funded on a current basis. Also, the Group makes union pension contributions for employees working under union arrangements. Pension costs amounted to $49,896 in 1995.

NOTE G - CONTRIBUTED CAPITAL

The following summarizes the Group's capitalization as of December 31, 1995:

Arnoni Group, Inc. - Common Stock; No Par Value,
10,000 Shares Authorized, Issued and outstanding.

Arnoni Family Partnership - Partners' Capital

M.C. Arnoni Company - Trust Units; No Par Value,
1,000 Shares Authorized, 530 Shares Issued and
Outstanding.

South Hills Disposal Company - Trust Units; No Par Value,
500 Shares Authorized, 100 Shares Issued and Outstanding.

Cochran Mill Associates, Inc. - Common Stock; $1 Par Value,
5,000 Shares Authorized, Issued and Outstanding.

THE ARNONI GROUP OF COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 1995
(CONTINUED)

NOTE H - COMMITMENTS AND CONTINGENCIES

In the normal Course of business, the Group makes commitments to complete contracts at specified rates and dates. Further, the Group has entered into an agreement to lease a portion of it's landfill property for landfill gas commercial processing; as well as a disposal agreement with a customer that commits up to approximately fifteen percent (15%) of daily landfill capacity through December, 1997.

The Group is committed to provide collateral bonding to the Pennsylvania Department of Environmental Resources to satisfy the Department's requirements. The Group has pledged as security for three (3) letters of credit issued to the Department, securities having a cost which approximates fair market value of $1,983,995 as collateral.

The Group has been named as defendant in various legal actions arising out of the normal conduct of its business. In the opinion of management, based on the advice of legal counsel, the suits are without merit; management intends to vigorously defend its position.

The Group carries a wide range of insurance coverage for the protection of the Group's assets and operations, including environmental impairment insurance. However, in the event uninsured losses occur, the Group's net income and financial position could be materially affected.

Independent Auditors' Report

To the Board of Directors
Jennings Environmental Services, Inc.
Altamonte Springs, Florida

We have audited the accompanying balance sheet of Jennings Environmental Services, Inc. (an S corporation) as of December 31, 1995 and the related statements, of income and changes in stockholders' equity and the statement of cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jennings Environmental Services, Inc. as of December 31, 1995, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

/s/ BLAKE, KUEHLER, BABIONE & POOL

Orlando, Florida
March 18, 1996

JENNINGS ENVIRONMENTAL SERVICES, INC.
Balance Sheet
December 31, 1995

ASSETS

Current assets:	
Cash	$ 118,740
Accounts receivable, net	470,869
Employee advances	2,145
Prepaid expenses	14,209
Total current assets	605,963
Property and equipment, net	2,105,356
Other assets:	
Deposits	8,763
Bonds	4,500
Loan costs, net	8,980
Total other assets	22,243
Total assets	$ 2,733,562

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:	
Accounts payable	$ 179,252
Line of credit	150,000
Other payables	45,926
Loans from stockholder	175,000
Current portion of long-term debt	536,419
Total current liabilities	1,086,597
Long-term liabilities:	
Long-term debt	1,015,368
Loans from stockholder	0
Total long-term liabilities	1,015,368
Total liabilities	2,101,965
Stockholders' equity:	
Common stock	79,970
Additional paid-in capital	605,930
Retained earnings (deficit)	(54,303)
Total stockholders' equity	631,597
Total liabilities and stockholders' equity	$ 2,733,562

The accompanying notes are an integral part of these financial statements.

JENNINGS ENVIRONMENTAL SERVICES, INC.
Statement of Income
For the year ended December 31, 1995

Revenues:	
Gross revenues	$ 4,598,237
Less disposal and franchise fees	1,408,126
Net revenues	3,190,111
Operating expenses	1,806,381
Income from operations before depreciation	1,383,730
Depreciation	(649,959)
Income from operations	733,771
Interest expense	(179,775)
Net income	$ 553,996

The accompanying notes are an integral part of these financial statements.

JENNINGS ENVIRONMENTAL SERVICES, INC.
Statement of Changes in Stockholders' Equity
For the year ended December 31, 1995

Common Stock

$.10 par value, 1,000,000 shares authorized, 799,700 shares issued and outstanding at December 31, 1995

Balance beginning of year	$ 79,528
Shares issued during the year	442
Balance end of year	79,970

Additional Paid-in Capital

Balance beginning of year	$ 534,972
Shares issued during the year	70,958
Balance end of year	$ 605,930

Retained Earnings Deficit

Balance beginning of year, as previously reported	$(720,799)
Adjustment for understatement of accounts receivable	112,500
Balance beginning of year, as restated	(608,299)
Net income	553,996
Balance end of year	$ (54,303)

The accompanying notes are an integral part of these financial statements.

JENNINGS ENVIRONMENTAL SERVICES, INC.
Statement of Cash Flows
For the year ended December 31, 1995

Cash flows from operating activities:	
Net income	$ 553,996
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation and amortization	651,295
Allowance for doubtful accounts	(10,000)
(Increase) decrease in accounts receivable	(164,441)
(Increase) decrease in employee advances	(1,145)
(Increase) decrease in prepaid expenses	(14,209)
(Increase) decrease in other assets	0
Increase (decrease) in accounts payable	22,367
Increase (decrease) in other payables	44,972
Total adjustments	528,839
Net cash provided by operating activities	1,082,835
Cash flows from investing activities:	
Cash payments for the purchase of property	(516,491)
Net cash used by investing activities	(516,491)
Cash flows from financing activities:	
Net borrowing (repayment) on stockholder loan	(25,000)
Cash payments for loan costs	(7,414)
Proceeds from issuance of common stock	23,800
Repayment on line of credit	0
Principal payments on long-term debt	(450,197)
Net cash provided (used) by financing activities	(458,811)
Net increase in cash and equivalents	107,533
Cash and equivalents, beginning of year	11,207
Cash and equivalents, end of year	$ 118,740

The accompanying notes are an integral part of these financial statements.

JENNINGS ENVIRONMENTAL SERVICES, INC.
Statements of Cash Flows (Continued)
December 31, 1995

Supplemental disclosures for cash flow information:

Cash paid during the year for:

Interest	$ 158,441

Schedule of noncash investing and financing activities:

Acquisition of property and equipment:

Cost of property and equipment acquired	$ 1,171,693
Capital stock issued	(46,600)
Long-term debt incurred	(608,602)
Cash paid to acquire property and equipment	$ 516,491

The accompanying notes are an integral part of these financial statements.

JENNINGS ENVIRONMENTAL SERVICES, INC.
Notes to Financial Statements
December 31, 1995

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Business

The Company is a full service environmental services firm, collecting and transporting waste and recyclable materials to designated sites for reuse or disposal. The Company's operations are in the Central Florida area.

Revenue Recognition

The Company recognizes income from recycling and refuse collection as it is earned. Prebilled amounts are not recorded until the Company performs the service. Revenue from material resale is recognized when materials are sold.

Accounts Receivable

The Company uses the reserve method for uncollectible accounts. The allowance for doubtful accounts was $10,000 as of December 31, 1995. Bad debt expense for the year ended December 31, 1995 was $22,292. Customers are primarily commercial and industrial building owners and contractors in the Central Florida area. In the normal course of business, the Company extends unsecured credit to its customers.

Property and Equipment

Property and equipment is recorded at cost. Property and equipment is depreciated over the lives established by the Modified Accelerated Cost Recovery System (MACRS), which are shorter than the estimated useful lives that would have been used under generally accepted accounting principles. This variance caused by using MACRS is not considered material. The estimated useful lives of the property and equipment range from five to seven years.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Income Taxes

The Company changed its tax status from nontaxable to taxable effective January 1, 1996. After that date, the financial statements will provide for the income tax effect of earnings reported in the statements, including taxes currently due and taxes deferred as different accounting methods are used for financial and income tax reporting.

JENNINGS ENVIRONMENTAL SERVICES, INC.
Notes to Financial Statements
December 31, 1995

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

Prior to the change in tax status, the Company did not record an income tax provision as income and losses were reported directly by the stockholders under provisions of Subchapter S of the Internal Revenue Code.

Loan Costs

Loan closing costs. are amortized on a straight-line basis over the life of the loan.

Concentration of Risk

The Company's cash funds are located in a single-financial institution. The amounts on deposit at December 31, 1995 exceeded the $100,000 federally insured limit.

Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

NOTE 2 -- PROPERTY AND EQUIPMENT

Property and equipment at December 31, 1995 consists of:

Vehicles	$ 1,907,748
Roll-off containers	1,550,596
Non roll-off containers	189,959
Furniture and fixtures	24,959
Equipment	20,516
Computers and software	9,130
	3,702,908
Accumulated depreciation	(1,597,552)
Net property and equipment	$ 2,105,356

JENNINGS ENVIRONMENTAL SERVICES, INC.
Notes to Financial Statements
December 31, 1995

NOTE 3 -- LINE OF CREDIT

The Company has available a $300,000 line of credit, which is due on demand and matures October 31, 2000. Interest is payable monthly at the bank's prime lending rate. The total outstanding balance was $150,000 as of December 31, 1995. The line of credit is collateralized by certain equipment and is also personally guaranteed by the principal stockholder.

NOTE 4 -- LONG-TERM DEBT

Long-term debt consists of the following at December 31, 1995:

8.25% installment notes payable to a bank in monthly installments including principal and interest, maturing October 2000 as follows (see note below):	
Monthly installment of $24,205	$730,847
Monthly installment of $4,320	206,046
Monthly installment of $1,975	94,137
9.75% installment note payable to a bank in monthly installments of $15,622 including principal and interest, secured by transportation equipment, maturing February 1998, refinanced in 1995	0
8.25% installment note payable to a bank in monthly installments of $2,920 including principal and interest, secured by transportation equipment, maturing May 1999, refinanced in 1995	0
6.18% installment note payable to GMAC in monthly installments of $380 including principal and interest, secured by transportation equipment, maturing August 1996, paid off in 1995	0

JENNING ENVIRONMENTAL SERVICES, INC.
Notes to Financial Statements
December 31, 1995

NOTE 4 -- LONG-TERM DEBT (Continued)

10.50% installment note payable in monthly installments of $1,492 including principal and interest, secured by refuse containers, maturing January 1997	18,347
9.50% installment note payable to a financing company in monthly installments of $1,654 including principal and interest, secured by refuse containers, maturing December 1996	18,781
8.25% installment note payable to a financing company in monthly installments of $1,722 including principal and interest, secured by transportation equipment, maturing June 1997	27,573
8.75% installment note payable to a financing company in monthly installments of $2,955 including principal and interest, secured by refuse containers, maturing October 1997	59,940
8.75% installment note payable to a financing company in monthly installments of $8,480 including principal and interest, secured by transportation equipment, maturing November 1997	179,123
8.75% installment note payable to a financing company in monthly installments of $4,012 including principal and interest, secured by transportation equipment, maturing April 1999	138,468
11.00% installment note payable to a financing company in monthly installments of $3,192 including principal and interest, secured by refuse containers, maturing April 1998	78,525
Total long-term debt	1,551,787
Less current portion	(536,419)
Long-term debt	$ 1,015,368

JENNINGS ENVIRONMENTAL SERVICES, INC.
Notes to Financial Statements
December 31, 1995

NOTE 4 -- LONG-TERM DEBT (Continued)

The first three installment notes to a bank listed above are aggregated under a master note to the bank in the amount of $2,000,000. This note bears interest at .5% below the bank's prime rate at the time of any advance under the note, and matures five years after the date of such advance. This note is collateralized by substantially all business assets and is guaranteed by the principal stockholder of the Company.

The principal portion of long-term debt matures according to the following schedule:

1996	$536,419
1997	520,137
1998	351,431
1999	83,236
2000	60,564
	$1,551,787

Total interest costs incurred and expensed on the above notes was $158,441 for 1995.

NOTE 5 -- STOCKHOLDER LOANS

Loans from stockholder are unsecured, bear interest at the blended annual rate published by the Internal Revenue Service, and are payable on demand.

NOTE 6 -- RELATED PARTY TRANSACTIONS

Banking Relations

The Company's principal stockholder is a director of Huntington National Bank (formerly security National Bank). The Company had $118,740 on deposit at this bank as of December 31, 1995. The Company also has its line of credit and installment debt obligations at this bank. The principal balance of these loans as of December 31, 1995 was $1,181,030.

Stockholder Loans

As discussed in Note 5, the Company had stockholder loans payable of $175,000 as of December 31, 1995. In February 1996, $100,000 of the loan outstanding was repaid. Accrued interest on the stockholder loan as of December 31, 1995 was $21,334.

JENNINGS ENVIRONMENTAL SERVICES, INC.
Notes to Financial Statements
December 31, 1995

NOTE 6 -- RELATED PARTY TRANSACTIONS (Continued)

Legal Fees

The Company retains a law firm in which a stockholder of the company is a partner. The amount of fees paid to this firm in 1995 was $24,585.

NOTE 7 -- LEASES

The Company has noncancellable operating leases for office and shop facilities that expire through 1999. Future minimum lease payments under the operating-leases at December 31, 1995 are as follows:

1996	$45,775
1997	46,423
1998	42,685
1999	25,000
Total minimum lease payments	$159,883

Total rent payments under the operating leases was $42,300 for the year ended December 31, 1995.

NOTE 8 -- PRIOR PERIOD ADJUSTMENT

Certain errors resulting in an understatement of previously reported accounts receivable and income as of December 31, 1994, in the amount of $112,500, were discovered by management of the Company subsequent to the issuance of the Company's financial statements on April 11, 1995. Accordingly, an adjustment has been made to net income for the year ended December 31, 1994, and retained earnings as of January 1, 1995, to correct the error.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Grand Central Sanitation, Inc.
and Related Companies
Pen Argyl, Pennsylvania

We have audited the accompanying combined balance sheet of Grand Central Sanitation, Inc. and Related Companies as of December 31, 1995, and the related combined statements of income, stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Grand Central Sanitation, Inc. and Related Companies as of December 31, 1995, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented only for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ BUCKNO LISICKY & COMPANY

Allentown, Pennsylvania
September 19, 1996

GRAND CENTRAL SANITATION, INC.
AND RELATED COMPANIES

COMBINED BALANCE SHEET
December 31, 1995

ASSETS

CURRENT ASSETS	
Cash	$ 166,238
Short-term investments	280,651
Trading securities	2,829,550
Accounts receivable, trade	2,498,766
Bid deposits	11,419
Prepaid expenses	149,974
Total current assets	5,936,598
PROPERTY AND EQUIPMENT	
Land and land improvements	18,767,429
Quarry rights	375,000
Buildings and building improvements	2,729,491
Office equipment	726,776
Autos and trucks	10,114,121
Equipment	22,081,893
Containers	3,862,190
	58,656,900
Less accumulated depreciation and amortization	39,163,607
Property and equipment, net	19,493,293
OTHER ASSETS	
New routes, less accumulated amortization $495,400	669,370
Loans receivable, related parties	30,183
Cash surrender value, officers' life insurance	1,801,281
Deferred income taxes	1,167,850
Total other assets	3,668,684
Total assets	$29,098,575

(Continued)

GRAND CENTRAL SANITATION, INC.
AND RELATED COMPANIES

COMBINED BALANCE SHEET
December 31, 1995

(Continued)

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	
Note payable, bank	$ 250,000
Current maturities of long-term debt	3,228,763
Accounts payable, trade	1,825,953
Accrued profit sharing	100,000
Accrued interest payable	16,497
Payroll taxes payable	293,660
Landfill fees payable	355,330
Unearned revenue	597,575
Total current liabilities	6,667,778
LONG-TERM LIABILITIES	
Notes payable, less current maturities	10,891,692
Landfill taxes payable	356,292
Other long-term liabilities	589,447
Total long-term liabilities	11,837,431
OTHER LIABILITIES	
Landfill closure	2,048,247
Loans payable, stockholders	1,303,261
	3,351,508
STOCKHOLDERS' EQUITY	
Preferred stock, par value $100 per share; authorized 20,000 shares; issued and outstanding 2,000 shares	200,000
Common stock, par value $1 per share; authorized 10,000 shares; issued and outstanding 8,400 shares	8,400
Additional paid-in capital	3,901,272
Retained earnings	3,132,186
Total stockholders' equity	7,241,858
Total liabilities and stockholders' equity	$29,098,575

See Notes to Combined Financial Statements.

GRAND CENTRAL SANITATION, INC.
AND RELATED COMPANIES

COMBINED STATEMENT OF INCOME
Year Ended December 31, 1995

Income:	
Refuse	$ 32,933,990
Real estate rentals	88,314
	33,022,304
Expenses:	
Operating	25,988,080
Administrative	3,853,230
	29,841,310
Operating income	3,180,994
Other income (expenses):	
Portfolio income	300,111
Miscellaneous sales and charges, net	24,912
Interest expense	(1,319,061)
	(994,038)
Income before income taxes	2,186,956
Federal and state income taxes	895,760
Net income	$ 1,291,196

See Notes to Combined Financial Statements.

GRAND CENTRAL SANITATION, INC.
AND RELATED COMPANIES

COMBINED STATEMENT OF STOCKHOLDERS' EQUITY
Year Ended December 31, 1995

	Preferred Stock		Common Stock		Additional Paid-In Capital	Retained Earnings
	Shares	Amount	Shares	Amount		
Balance, January 1, 1995	2,000	$200,000	8,400	$8,400	$3,901,272	$3,888,749
Net income	-	-	-	-	-	1,291,196
Dividends paid	-	-	-	-	-	(28,067)
Distribution to stockholders	-	-	-	-	-	(2,019,692)
Balance, December 31, 1995	2,000	$200,000	8,400	$8,400	$3,901,272	$3,132,186

See Notes to Combined Financial Statements.

GRAND CENTRAL SANITATION, INC.
AND RELATED COMPANIES

STATEMENT OF CASH FLOWS
Year Ended December 31, 1995

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	$ 1,291,196
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	4,561,243
Gain on sale of equipment and securities	(106,682)
Provision for doubtful accounts	429,219
Noncash expenses offsetting loans payable, stockholders	111,081
Increase in closure accrual	286,734
Corporate tax estimate	895,760
Changes in assets and liabilities:	
(Increase) in trading securities	(1,256,049)
Decrease in accounts receivable, trade	70,793
Decrease in bid deposits	925
(Increase) in prepaid expenses	(5,110)
Decrease in prepaid federal and state taxes	3,526
(Increase) in loans receivable, related parties	(788)
(Decrease) in accounts payable, trade	(184,669)
Increase in other liabilities	490,401
Net cash provided by operating activities	6,587,580
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of equipment and securities, net of reinvested purchases	191,760
Purchase of property and equipment	(5,339,521)
Purchases of new routes	(246,500)
Net cash used in investing activities	(5,394,261)
CASH FLOWS FROM FINANCING ACTIVITIES	
Payment on note payable, bank	(750,000)
Proceeds from long-term debt	4,719,790
Payments on long-term debt	(2,921,749)
Payments on stockholder loans	(467,232)
Distribution of earnings to stockholders	(2,951,897)
Net cash used in financing activities	(2,371,088)

(Continued)

GRAND CENTRAL SANITATION, INC.
AND RELATED COMPANIES

STATEMENT OF CASH FLOWS
Year Ended December 31, 1995

Net decrease in cash	(1,177,769)
Cash:	
Beginning	1,344,007
Ending	$ 166,238
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Cash payments for:	
Interest	$1,319,061
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING ACTIVITIES	
Long-term debt incurred to refinance other long-term debt	$5,035,441

See Notes to Combined Financial Statements.

GRAND CENTRAL SANITATION, INC.
AND RELATED COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies:

Combined statements:

The combined financial statements include the accounts of Grand Central Sanitation, Inc., Grand Central Sanitary Landfill, Inc., Grand Central Real Estate Company, Inc. and Pocono Independent Paperstock Company, Inc. The stockholders are the same for all of the companies.

Nature of operations:

The companies' operations consist of collection and disposal of solid waste and recycling operations. The combined entities have a single landfill in eastern Pennsylvania and accepts trash predominantly from the Pennsylvania, New Jersey and New York markets.

Use of estimates:

The preparation 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Trading securities:

Investment securities classified as trading securities are those municipal bonds that the Company has over the history of its operations turned over frequently. Decisions to trade securities are based on various factors which include interest rate fluctuation and maturity length. Trading securities are to be carried at fair value. Unrealized gains or losses are to be reported as increases or decreases in income from operations. Fair values for trading securities are based on quoted market prices. As of December 31, 1995, the difference between market value and cost was immaterial for financial statement purposes and, accordingly, the investment securities for trading are carried at cost.

Short-term investments:

All certificates of deposit with a maturity of three months or more are included in short-term investments. Short-term investments are stated at cost which approximates their market value as of December 31, 1995.

GRAND CENTRAL SANITATION, INC.
AND RELATED COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS

Property and equipment:

Property and equipment are stated at cost. Depreciation on property and equipment is computed by various rates using straight-line and accelerated methods. The lives of the assets range as follows:

Land improvements	2-17 years
Quarry rights	20 years
Buildings and building improvements	5-31.5 years
Office equipment	5-10 years
Autos and trucks	3-7 years
Equipment	4-15 years
Containers	3-10 years

New routes:

New routes are carried at cost less accumulated amortization and are being amortized over a period of five years using the straight-line method.

Unearned revenue:

Unearned revenue consists of billings for services to be rendered in future periods.

Note 2. Landfill Tax Escrow\Landfill Taxes Payable

In March, 1994, the Company agreed to settle a tax dispute with Plainfield Township. The settlement required the Company to pay the balance of the escrow account and requires ten equal annual installments of $62,000 with payments commencing prior to December, 1994. The Company will be entitled to credits in the aggregate of $10,000 per year for amounts equal to the market value of product or services supplied to Plainfield Township. As of December 31, 1995, $356,292 discounted at 8% is owed to Plainfield Township.

Note 3. Related Party Transactions

The stockholders of Grand Central Sanitation, Inc. and Related Companies are also the stockholders of Continental Interloc, Inc. and Resource Consulting, Inc.

GRAND CENTRAL SANITATION, INC.
AND RELATED COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS

Loans receivable with these related parties as of December 31, 1995 are as follows:

Continental Interloc, Inc.	$26,557
Resource Consulting, Inc.	3,626
	$30,183

The Company has loans payable, stockholders in the amount of $1,303,261 as of December 31, 1995, respectively. The loans due to the stockholders are noninterest bearing and have no fixed repayment terms.

Note 4. Note Payable, Bank

Grand Central Sanitation, Inc. has a $1,000,000 line of credit with a bank with interest payable monthly at the bank's National Commercial Rate. The note is collateralized by accounts receivable, machinery and equipment and is collateralized and cross defaulted with other Meridian Bank debt. Grand Central Sanitary Landfill, Inc. and Grand Central Real Estate Company, Inc. are sureties. The balance of the note is $250,000 as of December 31, 1995.

Note 5. Long-Term Debt

Long-term debt as of December 31, 1995 is as follows:

Summit Bank, real estate loans:	
$1,375 per month plus interest at prime plus .75%, due December, 2000.	$ 96,250
$425 per month plus interest at prime plus .75%, due December, 2000.	30,175
$467 per month plus interest at prime plus .75%, due December, 2000.	33,133
$488 per month plus interest at prime plus .5%, due April, 1997.	7,313
$1,750 per month plus interest at prime plus .75%, due March, 2003.	152,013

GRAND CENTRAL SANITATION, INC.
AND RELATED COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS

$708 per month plus interest at prime plus .5%, due July, 1997.	13,459
$833 per month plus interest at prime plus .5%, due July, 1997.	15,834
$1,806 per month plus interest at prime plus .5%, due August, 2002.	144,445
$2,583 per month plus interest at prime plus .5%, due August, 2002.	206,667
$3,417 per month plus interest at prime plus .75%, due May, 2003.	304,084
$2,000 per month plus interest at 8.33%, due May, 2001.	130,000
Individual:	
Route purchase loan, $6,818 per month including interest at 6.5%, due December, 1997.	147,053
Equipment loan, $2,478 per month plus interest at 6.25%, various equipment pledged as collateral due November, 1999.	101,127
Meridian Bank:	
Equipment loan, $48,273 per month including interest at 6.45%, various equipment pledged as collateral, due January, 1998.	1,447,711
Real estate loan, $951 per month plus interest at bank's commercial rate plus .75%, land pledged as collateral, due January, 2004.	92,222
Real estate loan $353 per month plus interest at bank's commercial rate plus .75%, land pledged as collateral, due July, 1999.	15,232

GRAND CENTRAL SANITATION, INC.
AND RELATED COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS

Real estate loan, $1,250 per month plus interest at bank's commercial rate plus .75%, land pledged as collateral, due September, 2004.	131,250
Equipment loan, $2,083 per month plus interest at bank's commercial rate plus.5%, various equipment pledged as collateral, due December, 1996.	25,000
Consolidating loan, $94,704 per month plus interest at bank's commercial rate plus .25%, land, accounts receivable and equipment pledged as collateral, due April, 2000.	4,924,583
Equipment loan, $17,817 per month plus interest at bank's commercial rate, various equipment pledged as collateral, due June, 2000.	979,917
Equipment loan, $1,667 per month plus interest at bank's commercial rate plus .5%, various equipment pledged as collateral, due September, 2000.	96,667
Equipment loan, $846 per month plus interest at bank's commercial rate plus .75%, various equipment pledged as collateral, due September, 1999.	88,813
Consolidating loan, $18,611 per month plus interest at bank's commercial rate plus .75%, land, accounts receivable, and equipment pledged as collateral, due June, 2003.	1,675,000

GRAND CENTRAL SANITATION, INC.
AND RELATED COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS

Equipment loan, $533 per month plus interest at 6.65%, various equipment pledged as collateral, due December, 1998.	18,667
Real estate loan, $594 per month plus interest at bank's commercial rate plus .75%, land pledged as collateral, due July, 2007.	82,628
Consolidating loan, $41,667 per month plus interest at bank's commercial rate plus .25%, various equipment and accounts receivable pledged as collateral, due April, 2000. Grand Central Sanitary Landfill, Inc. and Grand Central Real Estate Company, Inc. are sureties of the loan.	2,166,667
Caterpillar Financial Services:	
Equipment loan, $3,967 per month including interest at 8%, equipment pledged as collateral, due September, 1999.	153,802
Equipment loan, $4,992 per month including interest at 8%, equipment pledged as collateral, due November, 1999.	200,842
Equipment loan, $5,503 per month including interest at 9%, equipment pledged as collateral, due December, 1999.	221,138
Equipment loan, $1,787 per month including interest at 9.5%, equipment pledged as collateral, due December, 1999.	71,140

GRAND CENTRAL SANITATION, INC.
AND RELATED COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS

Equipment loan, $14,293 per month including interest at 9%, equipment pledged as collateral, due January, 1996.	6,548
Equipment loan, $6,149 per month plus interest at 8.6%, various equipment pledged as collateral, due July, 2000.	278,699
Neffs National Bank: Equipment loan, $945 per month, including interest at 9.5%, equipment pledged as collateral, due June, 1996.	6,414
Equipment loan, $3,149 per month including interest at 8.75%, equipment pledged as collateral, due June, 1996.	18,424
Nations Bank: Equipment loan, $12,513 per month plus interest at bank's commercial rate plus .5%, equipment pledged as collateral, due March, 1996.	37,538
	14,120,455
Less current maturities	3,228,763
	$10,891,692

Maturities of long-term debt as of December 31, 1995 are as follows:

Year ending December 31	
1996	$ 3,228,763
1997	3,173,198
1998	2,987,362
1999	2,567,046
2000	1,720,245
Thereafter	443,841
	$14,120,455

GRAND CENTRAL SANITATION, INC.
AND RELATED COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 6. Income Taxes

Grand Central Sanitation, Inc. and Pocono Independent Paperstock Company, Inc. are operating as S Corporations under the IRS and Pennsylvania tax codes. The other two related companies included in these financial statements are C corporations.

The Company adopted SFAS 109 in 1993. SFAS 109 requires the recognition of deferred tax assets and liabilities for the future tax consequences attributable to difference between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. In addition, the accounting standard requires the recognition of future tax benefits, such as net operating loss carryforwards, to the extent that realization of such benefits is more likely than not.

The components of the net deferred tax assets as of December 31, 1995 are as follows:

Deferred tax asset:	
Net operating loss carry-forwards:	
Federal	$ 969,850
State	401,377
Valuation allowance	(203,377)
Net deferred tax asset	$ 1,167,850

A valuation allowance has been provided to reduce the deferred tax asset to a level which, more likely than not, will be realized. The net deferred tax asset reflects managements estimate of the amount which will be realized from reversals of taxable temporary differences, which can be predicted with reasonable certainty. There was no change in the valuation allowance for the year ended December 31, 1995.

As discussed further in Note 12, the companies were sold to USA Waste Services, Inc. Due to the sale of the combined companies, the use of USA Waste Services, Inc.'s effective tax rate of 40% was used to calculate the tax provision for 1995 as if the combined companies were classified as C corporations and there was taxable income for the combined companies. The provision reduced the amount recorded as distributed to the stockholders during the year.

GRAND CENTRAL SANITATION, INC.
AND RELATED COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS

The provision for federal and state income taxes for the year ended December 31, 1995 is as follows:

Federal and state income taxes	$895,760
	========

As of December 31, 1995, Grand Central Sanitary Landfill, Inc. has a net operating loss carryforward of approximately $2,852,500 for federal income tax purposes which, if not used, expires in 2007. It also has a net operating loss carryforward of $4,054,311 available to reduce future state taxable income. If not used, it will expire in 1998.

As of December 31, 1995, Grand Central Real Estate Company, Inc. has federal net operating loss carryforwards of $142,052 and $46,923, which, if not used will expire in 2010 and 2009, respectively. It also has a net operating loss carryforward of $188,975 available to reduce future state taxable income. If not used, it will expire in 1998.

Note 7. Profit Sharing Plan

Grand Central Sanitation, Inc. adopted a profit sharing plan for all eligible employees effective April 1, 1985. The contribution to the plan is $100,000 for the year ended December 31, 1995. It is the policy of the Company to fund profit sharing costs accrued.

Note 8. Rent Expense

The Company rents various equipment on an as-needed basis. Rent expense for the year ended December 31, 1995 is $187,708.

Note 9. Financial Instruments and Credit Risk

Cash:

Financial instruments which potentially subject the Company to a concentration of credit risk consist principally of cash. The Company maintains cash accounts in various commercial banks. The amount on deposit as of December 31, 1995 exceeded the insurance limits of the Federal Deposit Insurance Corporation by approximately $324,000 in one of the commercial banks. The Company has not experienced any losses as a result of these noninsured balances.

GRAND CENTRAL SANITATION, INC.
AND RELATED COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS

Note payable, bank and long-term debt:

The fair value of the companies' note payable, bank and long-term debt, whose interest rates are substantially based on the prime rate, is estimated using rates currently available to the companies for other borrowings with similar terms and remaining maturities. As of December 31, 1995, the fair value of long-term debt approximates the carrying value.

Loans payable, stockholders:

The fair value of the loans payable to the companies' stockholders has not been determined since the loans bear no interest and have no fixed repayment terms.

Note 10. Letters of Credit

The companies have various letters of credit with Meridian Bank to support contracts for trash removal from various municipalities. As of December 31, 1995, the amounts total $1,570,965.

The companies have a letter of credit with Meridian Bank to support its obligation for closure of its landfill. The Commonwealth of Pennsylvania obligates all landfill operations to set aside funds or have valid letters of credit to support the clean-up of all landfills upon closure of such landfill. As of December 31, 1995, the letter of credit is $6,637,006.

GRAND CENTRAL SANITATION, INC.
AND RELATED COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 12. Subsequent Event

On May 6, 1996, Grand Central Sanitation, Inc. and Related Companies entered into an agreement to sell the companies to USA Waste Services, Inc. The sale, which was settled on May 15, 1996, was a stock-for-stock transaction which is being accounted for as a pooling of interests.

GARNET OF VIRGINIA, INC, AND GARNET OF MARYLAND, INC.

COMBINED FINANCIAL STATEMENTS AS OF DECEMBER 31, 1995 TOGETHER WITH AUDITORS'
REPORT

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders of
Garnet of Virginia, Inc., and
Garnet of Maryland, Inc.:

We have audited the accompanying combined balance sheet of Garnet of Virginia, Inc., and Garnet of Maryland, Inc. (Virginia and Washington, D.C., corporations, respectively) (the Companies), as of December 31, 1995, and the related combined statements of operations, stockholders' deficit and cash flows for the year then ended. These financial statements are the responsibility of the Companies' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Companies as of December 31, 1995, and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

/s/ ARTHUR ANDERSEN LLP

Houston, Texas
February 2, 1996

GARNET OF VIRGINIA, INC., AND GARNET OF MARYLAND, INC.

COMBINED BALANCE SHEET--DECEMBER 31, 1995

ASSETS	
CURRENT ASSETS:	
Cash	$ 12,742
Accounts receivable	57,923
Prepaid expenses	41,671
Total current assets	112,336
Restricted cash	893,769
Property and equipment, net of accumulated depreciation and amortization	19,822,279
Investment in affiliated company	1,007,652
Other assets, net	3,200,762
Total assets	$ 25,036,798
LIABILITIES AND STOCKHOLDERS' DEFICIT	
CURRENT LIABILITIES:	
Current maturities of long-term debt	$ 9,114,493
Notes payable to related party	5,155,000
Demand notes payable to related parties	889,810
Accounts payable-	
Trade	3,260,937
Related party	1,894,182
Accrued liabilities and other	1,202,096
Total current liabilities	21,516,518
LONG-TERM DEBT, net of current maturities	1,826,656
LANDFILL CLOSURE, POSTCLOSURE, CAPPING AND REMEDIATION RESERVES	7,487,500
Total liabilities	30,830,674
COMMITMENTS AND CONTINGENCIES	
STOCKHOLDERS' DEFICIT:	
Common stock	200
Retained deficit	(5,794,076)
Total stockholders' deficit	(5,793,876)
Total liabilities and stockholders' deficit	$ 25,036,798

The accompanying notes are an integral part of this combined financial statement.

GARNET OF VIRGINIA, INC., AND GARNET OF MARYLAND, INC.

COMBINED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1995

REVENUES	$ 622,934
COST OF OPERATIONS	1,478,510
Gross loss	(855,576)
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	942,048
Operating loss	(1,797,624)
EQUITY IN NET LOSS OF AFFILIATED COMPANY	1,014,782
INTEREST EXPENSE	539,001
Net loss	$(3,351,407)

The accompanying notes are an integral part of this combined financial statement.

GARNET OF VIRGINIA, INC., AND GARNET OF MARYLAND, INC.

COMBINED STATEMENT OF STOCKHOLDERS' DEFICIT
FOR THE YEAR ENDED DECEMBER 31, 1995

	Common Stock		Retained	Total Stockholders'
	Shares	Amount	Deficit	Deficit
BALANCE, at December 31, 1994	100	$100	$(2,442,669)	$(2,442,569)
Net loss	--	--	(3,351,407)	(3,351,407)
Issuance of common stock	100	100	--	100
BALANCE, at December 31, 1995	200	$200	$(5,794,076)	$(5,793,876)

The accompanying notes are an integral part of this
combined financial statement.

GARNET OF VIRGINIA, INC., AND GARNET OF MARYLAND, INC.

COMBINED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 1995

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	$(3,351,407)
Adjustments to reconcile net loss to net cash provided by operating activities-	
Depreciation and amortization	115,394
Changes in assets and liabilities-	
Accounts receivable	177,709
Prepaid expenses	(15,178)
Accounts payable, accrued liabilities and other	3,782,830
Net cash provided by operating activities	709,348
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property and equipment	(5,614,518)
Investment of bond proceeds, net	(893,769)
Investment in affiliated company	(281,658)
Organizational costs	(250,000)
Payments for land purchase options	(204,475)
Net cash used in investing activities	(7,244,420)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from borrowings, net of related costs	7,410,503
Repayments of borrowings	(863,138)
Net cash provided by financing activities	6,547,365
NET INCREASE IN CASH	12,293
CASH AT BEGINNING OF PERIOD	449
CASH AT END OF PERIOD	$ 12,742
SUPPLEMENTAL CASH FLOW INFORMATION:	
Cash paid for interest, net of amounts capitalized	$ 53,060
Property acquired under capital lease	$ 284,228

The accompanying notes are an integral part of this combined financial statement.

GARNET OF VIRGINIA, INC., AND GARNET OF MARYLAND, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 1995

1. ORGANIZATION AND BUSINESS:

Garnet of Virginia, Inc., and Garnet of Maryland, Inc. (Virginia and Washington, D.C., corporations, respectively) (collectively, the Companies), are private companies engaged in various businesses in Washington, D.C. and surrounding areas. The business of each of the Companies is described below.

Garnet of Virginia, Inc. (GOV)-GOV obtained a permit from King George County, Virginia, for the construction of a municipal solid waste landfill facility in King George County. With the exception of operating a temporary municipal solid waste transfer station in King George County for purposes of disposing of county residents' waste (in accordance with the landfill agreement with King George County), GOV's primary operations to date have been the permitting and design of a municipal solid waste landfill treatment facility.

Garnet of Maryland, Inc. (GOM)--GOM, through a joint venture agreement with LG Industries, Inc. (LG), operates a municipal solid waste transfer station in Washington, D.C. The transfer station began operations in April 1995. In addition, GOM has obtained a permit to construct and operate a municipal solid waste transfer station in Anne Arundel County, Maryland.

The Companies incurred operating losses during 1995 and as of December 31, 1995, the Companies had a working capital deficit of approximately $20.5 million. On February 2, 1996, all of the outstanding common stock of the Companies was purchased by Sanifill, Inc. (Sanifill). The purchase price of the Companies was sufficient to allow the Companies to recover the recorded value of their assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Combination

Since voting control of the Companies is vested with a common group of stockholders, and because the Companies share certain administrative functions and costs, the financial statements of the Companies are presented on a combined basis as if they were a single entity. The combined financial statements represent the totals of the Companies' financial statements after eliminating significant intercompany balances and transactions. The Companies use the equity method to account for their investment in an affiliated company in which the Companies hold a 50 percent interest.

Because the Companies do not have a parent-subsidiary relationship, the individual common stock ownership of the corporate entities as of December 31, 1995, is as follows:

Legal Entity	Shares Authorized	Par Value	Shares Outstanding	Balance
GOV	5,000	$1	100	$100
GOM	5,000	$1	100	$100

Revenue Recognition

The Companies' revenues are comprised primarily of disposal fees charged to customers.

Cost of Operations

Cost of operations include disposal fees, labor, fuel, equipment maintenance, depreciation, amortization charges and other direct costs of operating the transfer station facilities.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include corporate management salaries, clerical and other administrative overhead.

Properly and Equipment

Property and equipment is recorded at cost. Expenditures for major additions and improvements are capitalized. Minor replacements, maintenance and repairs which do not improve or extend the life of such assets are charged to operations as incurred. Disposals are removed at cost, less accumulated depreciation and amortization, and any resulting gain or loss is reflected in current operations. The Companies have computed depreciation for financial reporting purposes on the straight-line method. The estimated lives used in computing depreciation are as follows:

	Years
Vehicles and equipment	7 years
Furniture and fixtures	5 years

Landfill development costs and land held for development include the cost of property, engineering, legal and other professional fees, and interest capitalized during the development period (which began in 1992) related to the King George County landfill. These costs will be amortized using the units-of-production method over the estimated permitted airspace capacity upon commencement of operations.

Federal Income Taxes

The Companies have elected to be treated as S Corporations for tax purposes in accordance with the Internal Revenue Code. Accordingly, federal and state income taxes have not been provided in the accompanying combined financial statements since taxes are payable by the stockholders on their total income or loss from all sources.

3. PROPERTY AND EQUIPMENT:

A summary of property and equipment as of December 31, 1995, is as follows:

Landfill development costs	$16,528,487
Land held for development	2,455,860
Vehicles and equipment	1,040,513
Furniture and fixtures	23,976
	20,048,836
Less-Accumulated depreciation and amortization	(226,557)
	$19,822,279

Maintenance and repairs charged to operations during fiscal 1995 were approximately $13,000.

4. INVESTMENTS IN AFFILIATED COMPANY:

The Companies use the equity method of accounting for their investment in an unconsolidated affiliate. The summarized balance sheet and income statement information presented in the table below reflects the amounts related to the LG/Garnet of Maryland Joint Venture (JV):

	December 31, 1995
Assets-	
Current	$ 2,417,431
Noncurrent	1,007,652
	$ 3,425,083
Liabilities and owners' equity-	
Current liabilities	$ 2,417,431
Owners' equity	1,007,652
	$ 3,425,083
Companies' investments in JV	$ 1,007,652

	For the Year Ended December 31, 1995
Income statement-	
Revenues	$ 3,624,420
Gross loss	$ (629,748)
Net loss	$(1,014,782)
Companies' equity in loss of joint venture	$(1,014,782)

Under the terms of the joint venture agreement, net losses as defined are allocated 100 percent to GOM. Additionally, GOM is responsible for funding any deficits of the JV, and as such, current assets of the joint venture include a $2.1 million receivable from GOM for such deficits. Since the joint venture began operations in April 1995, the JV has incurred operating losses. In the event future profits are earned by the JV, GOM will have future first claim to recover cumulative losses prior to distribution of profits to LG.

5. OTHER ASSETS:

Other assets at December 31, 1995, are comprised of the following:

Rent deposit with King George County	$2,000,000
Land purchase options	417,975
Organization costs	254,496
Bond issuance costs	298,202
Other	250,000
Total	3,220,673
Less-Accumulated amortization	(19,911)
	$3,200,762

Organizational costs associated with formation of the JV are amortized over nine years, the term of the JV agreement, and bond issuance costs are amortized over the term of the bonds. Amortization expense for 1995 totaled $19,911.

6. LONG-TERM DEBT:

Long-term debt consists of the following as of December 31, 1995:

Notes payable, maturing in varying amounts through April 1996, with interest ranging from prime plus 1% to prime plus 3%	$ 8,598,274
Capitalized lease obligations payable in monthly installments of principal and interest through January 2000, with interest ranging from 7.9% to 14.8%	1,342,875
Series 1995A revenue bonds, bearing interest at 10%, interest payable semiannually, with final maturity at February 2016	1,000,000
Total debt	10,941,149
Less- Current portion	9,114,493
Long-term debt, net of current portion	$ 1,826,656

Aggregate maturities of long-term debt are as follows:

Year ended December 31-	
1996	9,114,493
1997	341,917
1998	292,097
1999	184,859
2000	7,783
Thereafter	1,000,000
Total	$10,941,149

During 1995, the Companies obtained from the Industrial Development Authority of King George County, Virginia, a credit facility under which it may issue up to $30 million of tax-exempt industrial revenue bonds and $15 million in taxable industrial revenue bonds. Bonds issued under this facility are secured by future revenues of the landfill treatment facility as well as all personal and real property of the Companies. Additionally, all stockholders of the Companies have entered into a stock-pledge agreement further securing any borrowings under this facility. The bonds are covered by an indenture of trust and security agreement which places restrictions on the issuance of additional stock in the Companies and the sale of assets of the Companies. The bonds are subject to redemption at the direction of the Companies in the event of damage or destruction to the landfill treatment facility and at any time on or after February 2004 at a premium of 102 percent, declining to 100 percent in February 2006. The bonds are also subject to mandatory sinking fund redemption from 2007 through maturity in 2016. Proceeds from bonds issued are required to be held in trust for the purposes of funding construction of the project and may be utilized through requisition by the Company. As of December 31, 1995, approximately $894,000 of unspent bond proceeds was held in trust and are included in restricted cash in the accompanying combined balance sheet, and $1,000,000 of tax-exempt industrial revenue bonds were outstanding under the credit facility.

The notes payable are collateralized by various property and equipment.

Total assets recorded under capital leases and the accumulated depreciation and amortization thereon were approximately $899,000 and $190,000 as of December 31, 1995.

Interest capitalized on funds used for landfill development was approximately $495,000 in 1995.

7. RELATED-PARTY TRANSACTIONS:

In the ordinary course of business, the Companies engage in transactions with one of their significant stockholders, Blake R. Van Leer II and with Garnet, Inc., an affiliated company. As of December 31, 1995, notes payable to Blake R. Van Leer II and Garnet, Inc., totaled $675,000 and $214,810, respectively. Both of these notes are payable on demand and bear interest at prime plus 1 percent. Interest expense on these notes totaled approximately $20,000 during 1995.

As of December 31, 1995, the Companies have notes payable of $5,155,000 to a partnership which is owned by four stockholders of the Companies. These notes payable are secured by a stock-pledge agreement from other stockholders of the Companies, bear interest at prime plus 1 percent and are due in February 1996. Interest expense on these notes totaled $386,768 for the year ended December 31, 1995, and is included in accrued liabilities in the accompanying combined balance sheet.

In addition to the notes payable above, the Companies have accounts payable to the JV totaling approximately $1,894,000, representing operating deficits required to be funded by GOM under the terms of the joint venture agreement. See Note 4.

8. LANDFILL CLOSURE, POSTCLOSURE CAPPING AND REMEDIATION RESERVES:

As part of the agreement with King George County for obtaining a municipal solid waste disposal permit, the Companies assumed the closure and postclosure responsibilities for the existing King George County landfill. As part of this agreement, the Companies agreed to exhume all waste from the existing landfill and transfer it to the new facility over a period not to exceed five years. Additionally, the Companies have assumed responsibility for the removal and disposal of tires from another county site.

The Companies have material financial obligations relating to the final closure and postclosure care of the existing facility. Landfills are typically developed in a series of cells, each of which is constructed, filled and capped in sequence over the operating life of the landfill. When the final cell is filled and the operating life of the landfill is over, the final cell must be capped, the entire site must be closed and postclosure care and monitoring activities begin. The Companies have estimated, as of December 31, 1995, that total costs for final closure of the existing facility, including waste and tire removal, and postclosure activities, including cap maintenance, groundwater monitoring, methane gas monitoring and leachate treatment/ disposal for up to 10 years after closure and remediation costs, will approximate $6.0 million. In addition, the Companies have estimated, as of December 31, 1995, that capping costs expected to occur will approximate $1.5 million. The above amounts are net of costs to be shared by King George County under the terms of the landfill development agreement.

The above estimates are based on engineering reviews and the applicable state and federal regulations. Engineering reviews are performed annually. In performing the review, the Companies analyze actual costs incurred versus total estimated costs, update cost estimates to reflect current regulatory requirements and consider requirements of proposed regulatory changes. Amendments to current laws and regulations governing the Companies' operations or more stringent implementation thereof, or unfavorable cost variances could have a material adverse effect on the Companies' operations or require substantial capital expenditures.

9. SIGNIFICANT CUSTOMER AND VENDOR:

A certain customer of the Companies accounted for approximately 76 percent of 1995 revenues. This customer also provides services to the Companies which accounted for 35 percent of 1995 cost of operations. Additionally, another customer accounted for approximately 15 percent of 1995 revenues.

The Companies receive services related to the development of the King George County landfill from a few vendors and contractors. Management believes they can purchase such services from other vendors and contractors similar to those currently offered whereby the Companies' operations would not be adversely affected.

10. COMMITMENTS AND CONTINGENCIES:

Commitments

As of December 31, 1995, the Companies have entered into various options to purchase land on which the King George County landfill treatment facility will be located as well as land adjacent to the landfill area. Substantially all of these options were exercised subsequent to year end for a total purchase price of approximately $5.7 million.

Leases

The Companies have entered into an operating lease agreement with King George County for the land on which the landfill treatment facility will be located. Rent will begin on this facility once operations commence. In addition, the Companies have entered into lease agreements for land and buildings where transfer stations are currently located or are to be constructed. Minimum future lease payments under these leases are as follows:

Year ending December 31-	
1996	$ 433,100
1997	1,942,600
1998	1,952,500
1999	1,961,145
2000	1,970,222
Thereafter	54,757,204
	$63,016,771

Litigation

The Companies have received notice from an Underwriter used in connection with the offering of its Industrial Revenue Bonds that the underwriter is entitled to certain fees and expenses ranging from $200,000 to $570,000. The Companies believes such fees are not owed and intend to vigorously contest the fees.

The Companies have received notice from a partnership that the partnership is entitled to a finder's fee for assisting the Company in obtaining third-party financing. The Companies believe that they have no liability in this matter and intend to contest the matter vigorously.

The Companies received notice from a third-party alleging breach of contract in connection with a contract to purchase certain property for $945,000. The Plaintiffs filed suit in March 1995 seeking approximately $595,000 in compensatory damages, plus $350,000 in punitive damages. The Companies believe that they have no liability in this matter and intend to contest the matter vigorously.

In addition to the above-described litigation, the Companies are involved in various other administrative proceedings, as well as other claims, disputes and assessments that could result in additional litigation or other proceedings. Management believes that the outcome of all of the matters discussed above will not have a material adverse effect on the Companies combined financial position or results of operations.

11. SUBSEQUENT EVENTS:

In January 1996, the Companies obtained a working capital loan in the amount of $10 million from Sanifill. Proceeds of this loan were used to exercise substantially all outstanding land purchase options and for general working capital purposes. All of the land purchased by the Companies was deeded to King George County in accordance with the terms of the landfill development agreement. The Companies will lease this land from the county for operations of the landfill.

REPORT OF INDEPENDENT AUDITORS

To The Stockholders
The Orange Group Entities
Orlando, Florida

We have audited the accompanying combined balance sheet of The Orange Group as of December 31, 1995, and the related combined statements of operations, retained earnings, and cash flows for the year then ended. These combined financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 15 to the combined financial statements, the Group sold substantially all of its tangible and real property on February 5, 1996.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of The Orange Group as of December 31, 1995, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

/s/ OSBURN, HENNING AND COMPANY

July 13, 1996
Orlando, Florida

THE ORANGE GROUP

COMBINED BALANCE SHEET
December 31, 1995

ASSETS	
CURRENT ASSETS	
Cash	$ 146,321
Accounts receivable	912,305
Total current assets	1,058,626
LAND AND EQUIPMENT, net of accumulated depletion and depreciation	4,560,795
OTHER ASSETS	116,395
Total assets	$5,735,816
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	
CURRENT LIABILITIES	
Note payable to bank	$ 50,000
Current maturities of long-term notes payable	958,914
Current maturities of long-term notes payable - stockholders	428,439
Accounts payable	552,006
Total current liabilities	1,989,359
LONG-TERM LIABILITIES	
Notes payable, less current maturities	3,490,105
Notes payable - stockholders, less current maturities	710,377
Accrued closure and post-closure costs	632,974
Total long-term liabilities	4,833,456
Total liabilities	6,822,815
COMMITMENTS AND CONTINGENCIES	
STOCKHOLDERS' EQUITY (DEFICIT)	
Common stock	10,720
Additional paid-in capital	146,380
Retained earnings (deficit)	(483,192)
	(326,092)
Less treasury stock	(760,907)
Total stockholders' equity (deficit)	(1,086,999)
Total liabilities and stockholders' equity (deficit)	$5,735,816

See Notes to Combined Financial Statements.

THE ORANGE GROUP

COMBINED STATEMENT OF OPERATIONS
Year Ended December 31, 1995

SALES	$7,798,100
COST OF SALES:	
Labor	1,285,690
Gas and oil	856,681
Materials	777,637
Depreciation and depletion	678,172
Repairs and maintenance	653,683
Trucking and hauling	498,077
Insurance	415,354
Equipment rental	274,620
Closure and post-closure provision	154,046
Other direct costs	464,735
	6,058,695
Gross profit	1,739,405
OPERATING EXPENSES:	
Salaries	304,408
Management fee expense	195,941
Taxes and license	174,778
Insurance	174,377
Legal and professional	78,683
Office expense	68,937
Telephone and utilities	65,833
Rents	65,331
Other operating expenses	31,964
	1,160,252
Income from operations	579,153
OTHER INCOME (EXPENSE):	
Interest	(600,748)
Loss on sale of assets	(21,753)
Miscellaneous	34,058
	(588,443)
Net loss	$ (9,290)

See Notes to Combined Financial Statements.

THE ORANGE GROUP

COMBINED STATEMENT OF RETAINED EARNINGS
Year Ended December 31, 1995

Retained earnings, beginning	$ 345,309
Net loss	(9,290)
Dividends	(819,211)
Retained earnings (deficit), ending	$ (483,192)

See Notes to Combined Financial Statements.

THE ORANGE GROUP

COMBINED STATEMENT OF CASH FLOWS
Year Ended December 31, 1995

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	$ (9,290)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Amortization	3,600
Depletion	32,247
Depreciation	645,925
Loss on sale of assets	21,753
Provision for post-closure costs	154,046
Increase in:	
Accounts receivable	(131,035)
Other assets	(9,221)
Increase in:	
Accounts payable	242,739
Net cash provided by operating activities	950,764
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	(311,621)
Proceeds from sale of assets	265,976
Net cash used in investing activities	(45,645)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from long-term notes payable	474,073
Repayment of long-term notes payable	(826,343)
Proceeds from notes payable - stockholders	348,000
Repayment of notes payable - stockholders	(147,603)
Proceeds from note payable to bank	30,000
Repayment of related party advances	(4,958)
Dividends	(819,211)
Net cash used in financing activities	(946,042)
NET DECREASE IN CASH	(40,923)
CASH, BEGINNING	187,244
CASH, ENDING	$ 146,321
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	$ 517,917
Supplemental disclosure of non cash investing and financing activities:	
Purchase of equipment with proceeds of notes payable	$ 157,167
Reduction of notes payable through sale of asset	$ 107,110

See Notes to Combined Financial Statements.

THE ORANGE GROUP

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1. Principles of Combination

The combined financial statements of The Orange Group (the Group) include the financial statements of Orange Waste, Recycling & Materials, Inc. (OWR), Orange Soil Cement, Inc. (OSC), Orange Trucking, Inc. (OTI), and Orange Transportation Corp. (OTC). OWR, OSC and OTI are owned fifty percent each by Randy Burden and Douglas Hooker. OTC is owned fifty percent by Messrs. Burden and Hooker, and fifty percent by a third party. The financial statements of the companies have been combined on the basis of common ownership and management. All significant balances and transactions between the companies have been eliminated in the accompanying combined financial statements.

Note 2. Business Activity and Organization

OWR was incorporated in 1981. Its principal business activity is the operation of a 70 acre Class III landfill and a 70 acre C & D landfill in Orange County, Florida. OWR also owns adjacent acreage which, when fully permitted, is expected to increase the size of the landfill by 50 acres. Its revenues are derived from the sale of soil excavated from the landfill (export), and the collection of fees from customers depositing qualifying waste into the landfill (import).

OSC was incorporated in 1989. Its principal business activity is the mixing and sale of soil cement to road paving companies in the Central Florida area.

OTI was incorporated in 1988. Its principal business activity is the hauling of soil for customers in the Central Florida area.

OTC was incorporated in November, 1994. Its principal business activity is the hauling of waste materials from a collection site in South Florida and an OWR Orlando transfer station to OWR's landfill.

Messrs. Burden and Hooker own another company, DTR, with which the Group has occasional financing transactions. Because of the common ownership of the Group and DTR, a note payable to DTR has been classified in the financial statements as note payable - stockholders.

THE ORANGE GROUP

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 3. Summary of Significant Accounting Policies

Sales

The companies comprising the Group use the accrual method of accounting. Sales are recognized upon product or service delivery. Cost of sales are recorded when sales are recognized.

Accounts Receivable

Accounts receivable are recorded net of the allowance for doubtful accounts that management deems necessary to allow for potentially uncollectible accounts. Based on its review of the detail of accounts comprising accounts receivable at December 31, 1995, management concluded no allowance was needed.

Land and Equipment

Land is recorded at cost, less accumulated depletion as related to the landfill. Depletion is recorded based on an estimate of soil removed as a percentage of the total soil available for removal.

Equipment is recorded at cost, less accumulated depreciation. Depreciation is recorded based on the estimated useful lives of the assets using the straight-line method.

Closure and Post-Closure Costs

The Group member (OWR) which owns and operates the landfills accrues remaining estimated closure and post-closure costs on a unit-of-production method based on the landfills' estimated remaining airspace. The estimated accrual is treated as a long-term liability in the accompanying combined financial statements. See Note 7 for further discussion of these costs and accruals.

THE ORANGE GROUP

NOTES TO COMBINED FINANCIAL STATEMENTS

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

Income Taxes

The members of the Group, with the consent of their stockholders, have elected to have their income or loss taxed under Section 1372 of the Internal Revenue Code, which provides that, in lieu of corporate income taxes, the stockholders are taxed on or receive deduction for their proportionate share of the income or loss. Accordingly, no income tax provision or benefit has been made in the accompanying combined financial statements.

Note 4. Land and Equipment

Land and equipment at December 31, 1995 are comprised of the following:

	OWR	OSC	OTI	OTC	Combined
Land	$ 759,513	$124,747	$ -	$ -	$ 884,260
Equipment	1,205,612	333,509	915,518	2,581,685	5,036,324
	1,965,125	458,256	915,518	2,581,685	5,920,584
Accumulated depreciation	(290,584)	(205,172)	(297,105)	(346,000)	(1,138,861)
Accumulated depletion	(220,928)	-	-	-	(220,928)
Land and equipment, net	$1,453,613	$253,084	$618,413	$2,235,685	$4,560,795

Depreciation and depletion in 1995 were $645,925 and $32,247, respectively.

Note 5. Note Payable to Bank

OSC has a $50,000 line of credit with a bank. The line bears interest at the rate of prime plus 1.5% and matures May 1, 1996. The loan is secured by the accounts receivable of OSC which totalled approximately $198,000 at December 31, 1995.

THE ORANGE GROUP

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 6. Long-Term Notes Payable

Long-term notes payable at December 31, 1995 consist of the following:

AmSouth Bank; due $12,450 monthly, including interest at 8% until September, 1996; thereafter, at prime plus 1.5%; matures April 13, 1998; collateralized by landfill	$1,217,613
Equipment notes in original amount of $1,404,903; payable $29,273 per month principal and interest (9.365%); maturing January, 2000; collateralized by rolling stock with a carrying value at 12/31/95 of $1,205,880	1,196,929
Equipment note of $1,156,213; payable $19,120 per month principal and interest (8.273%); payments beginning January, 1995; maturing January, 2000; collateralized by trailers with a carrying value at 12/31/95 of $1,011,685	994,076
Equipment notes payable at approximately $28,500 per month; at rates ranging from 7.33% to 14.94%; maturing from March, 1996 to March, 1998; collateralized by equipment with a carrying value at 12/31/95 of $699,233	631,662
Two equipment notes in original amount of $481,969; payable $10,541 per month principal and interest (8.65% and 11.1%); maturing April, 1998 and March, 1999; collateralized by rolling stock with a carrying value at 12/31/95 of $359,810	348,387
Two mortgages payable at various intervals equalling approximately $33,000 per year; at rates of 8% and 8.5%; maturing April, 1996 and December, 1998; collateralized by land	60,351
Stockholder notes; unsecured; interest rates ranging from 11.75% to 12.65%; aggregate monthly payment totalling $12,674; any unpaid balances due November, 2003	765,817
Stockholder advances at 10% due on demand	373,000
	5,587,835
Less current maturities	(1,387,353)
	$4,200,482

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THE ORANGE GROUP

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 6. Long-Term Notes Payable - (Continued)

Maturities of long-term notes payable as of December 31, 1995 are as follows:

	Unrelated Parties	Stockholders	Total
1996	$ 958,914	$ 428,439	$1,387,353
1997	876,198	69,965	946,163
1998	1,808,323	78,908	1,887,231
1999	576,138	88,996	665,134
2000	229,446	100,374	329,820
Thereafter	-	372,134	372,134
	$4,449,019	$1,138,816	$5,587,835

Composition of long-term notes payable by company is as follows:

	Unrelated Parties	Stockholders	Total
OWR	$1,885,768	$ 237,635	$2,123,403
OSC	6,198	237,015	243,213
OTI	348,386	291,166	639,552
OTC	2,208,667	373,000	2,581,667
	$4,449,019	$1,138,816	$5,587,835

All of the above debt, as well as a $54,000 early pay-off penalty, was paid in February, 1996 upon the sale of the business discussed in Note 15. The early pay-off penalty has been expensed in these financial statements, and is included in accounts payable in the accompanying balance sheet.

Note 7. Closure and Post-Closure Costs

The Group (OWR) has material future financial obligations relating to the closure of the filled areas of its landfills during their productive lives, and the final closure and post-closure care at the end of their productive lives. Landfills are typically developed in a series of cells, each of which is constructed, filled and capped in sequence over the productive life of the landfill. When the final cell is filled, it must be capped, the entire site closed, and the post-closure care and monitoring activities begin. As of December 31, 1995, the Group estimated the capping costs expected to occur and be expensed over the landfills' useful lives to be $2,423,000. At December 31, 1995, the Group expects total costs for final closure and post-closure activities, including cap maintenance, groundwater monitoring and other maintenance activities for up to thirty years after closure, will approximate $1,827,000.

The $632,974 closure and post-closure accrual at December 31, 1995 is based on the above estimated total costs factored by the estimated remaining airspace at December 31, 1995.

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THE ORANGE GROUP

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 7. Closure and Post-Closure Costs - (Continued)

Pursuant to applicable State of Florida regulations, a portion of the post-closure costs as estimated under a regulatory method must either be funded and escrowed currently, or a letter of credit or surety bond placed with the State to assure the long-term care required. OWR has met this obligation primarily by the funding of a separate, restricted escrow cash account. Restricted cash escrowed for this purpose was $61,358 at December 31, 1995, and is included in other assets on the accompanying combined balance sheet. In addition, OWR has posted a $25,000 letter of credit related to the estimated post-closure activities.

Note 8. Components of Sales and Cost of Sales

Components of 1995 sales and cost of sales by company, after elimination of intercompany transactions, are as follows:

	OWR	OSC	OTI	OTC	Combined
Sales:					
Landfill import and export	$ 2,584,793	$ -	$ -	$ -	$2,584,793
Soil cement	-	1,622,527	-	-	1,622,527
Trucking	-	-	1,110,471	2,480,309	3,590,780
	2,584,793	1,622,527	1,110,471	2,480,309	7,798,100
Cost of sales:					
Labor	300,869	50,665	244,274	689,882	1,285,690
Gas and oil	79,674	7,184	125,168	644,655	856,681
Materials	-	777,637	-	-	777,637
Depreciation and depletion	200,846	36,572	118,169	322,585	678,172
Repairs and maintenance	207,074	145,049	74,670	226,890	653,683
Trucking and hauling	1,524	76,405	371,636	48,512	498,077
Insurance	33,243	8,717	89,675	283,719	415,354
Equipment rental	126,272	6,100	-	142,248	274,620
Closure and post-closure accrual	154,046	-	-	-	154,046
Other direct costs	215,747	26,782	75,728	146,478	464,735
	1,319,295	1,135,111	1,099,320	2,504,969	6,058,695
Gross profit (loss)	$ 1,265,498	$ 487,416	$ 11,151	$ (24,660)	$1,739,405

THE ORANGE GROUP

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 9. Stockholders' Equity (Deficit)

Components of stockholders' equity (deficit) by Company at December 31, 1995 are as follows:

	OWR	OSC	OTI	OTC	Combined
Common stock ($1 par)	$ 7,500 (a)	$ 120(b)	$ 3,000 (c)	$ 100 (d)	$ 10,720
Additional paid-in capital	108,500	37,880	-	-	146,380
Retained earnings (deficit)	(387,204)	122,986	134,000	(352,974)	(483,192)
Subtotal	(271,204)	160,986	137,000	(352,874)	(326,092)
Less treasury stock	(730,907)(e)	-	(30,000)(f)	-	(760,907)
Total	$(1,002,111)	$160,986	$107,000	$(352,874)	$(1,086,999)

(a) 7,500 shares authorized and issued; 2,000 shares outstanding
(b) 3,000 shares authorized; 120 shares issued and outstanding
(c) 3,000 shares authorized and issued; 2,000 shares outstanding
(d) 1,000 shares authorized; 100 shares issued and outstanding
(e) 5,500 shares, at cost
(f) 1,000 shares, at cost

Note 10. Related Party Transactions

The members of the Group have ongoing dealings with other affiliated companies which do not belong to the Group. Specifically, among other things, certain of these affiliates provide management and accounting services and rent equipment to and from the Group. The amounts charged (or not charged) for the above services and rentals are informally determined by management, and are influenced by the existence of the related party affiliations.

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THE ORANGE GROUP

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 10. Related Party Transactions - (Continued)

During 1995, rental income of $39,574 was received from Orange Waste East, rent expense and repairs expense of $176,063 was paid to Southeast Rental and Leasing, Inc. (SRL), and management fees of $195,941 were paid to ROBCO, EOM, and CFCD, Inc. - all related parties by common ownership. Accounts payable on December 31, 1995 includes a $50,367 payable to SRL.

As mentioned in Note 1, OTC is jointly owned with a third party. This third party owns an otherwise unrelated corporation, Waste Magic Recyclers, Inc. (WMR), with which the Group conducts ongoing business transactions. Sales revenue of $3,349,133 from WMR was recorded during 1995. Accounts receivable on December 31, 1995 includes a $295,539 receivable from WMR.

All sales of equipment and related gains and losses were to related parties.

Note 11. Leases

The Group leases equipment, vehicles and trailers under seven separate operating leases. The required future minimum lease payments at December 31, 1995 are as follows:

	Annual Payment
1996	$ 390,878
1997	304,378
1998	270,694
1999	174,308
2000	14,526

Note 12. Concentrations

Financial statement instruments which potentially subject the Group to concentrations of credit risk consist principally of temporary cash investments and trade receivables. The Group places its temporary cash investments with high quality financial institutions. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers and generally short payment terms. However, substantially all of the Group's credit customers are Central Florida businesses and are thus susceptible to changes in that economy.

A significant portion of the Group's sales during 1995 were to WMR. The loss of this customer could have a significant impact on the Group's operations.

Note 13. Significant Risks And Uncertainties

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. For the Group, such estimates significantly affect the recovery period of long-lived assets and the expense accrual for landfill closure and post-closure costs. Since such estimates relate to unsettled transactions and events as of the balance sheet date, actual results, upon settlement, will differ from those estimated in preparing the financial statements.

The Group's landfill activities are conducted under governmental permits with fixed durations. Upon expiration of the permit period, the permits are typically renewed, although the renewal review period may be protracted. It is possible that the terms and conditions of a renewed permit could differ from those of the former permit, thus potentially affecting the comparability of the results of operations currently to those in the future. At December 31, 1995 and February 5, 1996, two of the Group's several landfill operation permits were in the renewal review process. Management expects these permits to be renewed in due course and is unaware of any pending changes that might have a significant adverse affect on the landfill operations.

Note 14. Fair Value of Financial Instruments

There were no material differences in the recorded accounts of financial instruments and their related fair values at December 31, 1995. The estimated fair value of the note payable to bank, long-term notes payable, and long-term notes payable to stockholders was determined based on the pay off of such indebtedness at face value in connection with the February 5, 1996 sale discussed in Note 15 to the financial statements.

THE ORANGE GROUP

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 15. Event Subsequent to December 31, 1995

On February 5, 1996 the Group sold substantially all of its tangible and real property. A portion of the purchase price was in the form of assumption and/or liquidation of debt and leases associated with such assets, as well as pay-off of indebtedness to the Group's stockholders. The balance of the purchase price was allocated between cash and stock of the purchaser.

In addition to their operating assets, the members of the Group sold other contractual rights and their business names, and the stockholders agreed not to compete with the businesses after the transaction is consummated. Accordingly, the business purpose of the members of the Group under the current management and ownership has ceased and none of the Group remains viable in the business activity they conducted during 1995.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of the Combined Companies:

We have audited the accompanying combined balance sheet of the Combined Companies, as defined in Note 1, as of December 31, 1995, and the related combined statements of operations, stockholders' equity and partners' capital and cash flows for the year then ended. These financial statements are the responsibility of the Combined Companies' managements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Combined Companies as of December 31, 1995, and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

/s/ ARTHUR ANDERSEN LLP

Houston, Texas
September 13, 1996

COMBINED COMPANIES (CITY, ALPINE AND LGI)

COMBINED BALANCE SHEET
DECEMBER 31, 1995

ASSETS

CURRENT ASSETS:	
Cash and cash equivalents	$ 729,867
Accounts receivable, net of allowance for doubtful accounts of $25,468	199,602
Prepaid expenses and other	16,303
Deferred income taxes	99,479
Total current assets	1,045,251
Property and equipment, net	1,271,183
Deferred income taxes	29,959
Other assets, net	578,234
Total assets	$2,924,627

LIABILITIES AND STOCKHOLDERS' EQUITY AND PARTNERS' CAPITAL

CURRENT LIABILITIES:	
Current maturities of long-term debt	$ 319,973
Current maturities of notes payable to related parties	16,879
Accounts payable	172,712
Accrued liabilities	63,944
Deferred revenue	180,445
Income taxes payable	119,300
Total current liabilities	873,253
LONG-TERM DEBT, net of current maturities	1,195,694
NOTES PAYABLE TO RELATED PARTIES, net of current maturities	86,353
DEFERRED REVENUES	232,456
Total liabilities	2,387,756
STOCKHOLDERS' EQUITY AND PARTNERS' CAPITAL:	
Common stock	1,100
Retained earnings and partners' capital	535,771
Total stockholders' equity and partners' capital	536,871
Total liabilities and stockholders' equity and partners' capital	$2,924,627

The accompanying notes are an integral part of this combined financial statement.

COMBINED COMPANIES (CITY, ALPINE AND LGI)

COMBINED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1995

OPERATING REVENUES	$5,223,327
COSTS AND EXPENSES:	
Operating	2,928,279
General and administrative	1,362,885
Depreciation and amortization	462,252
	4,753,416
Income from operations	469,911
OTHER INCOME (EXPENSE):	
Interest expense	(135,265)
Other expense	(45,601)
Interest and other income	25,269
	(155,597)
Income before income taxes	314,314
PROVISION FOR INCOME TAXES	49,098
Net income	$ 265,216

The accompanying notes are an integral part of this combined financial statement.

COMBINED COMPANIES (CITY, ALPINE AND LGI)

COMBINED STATEMENT OF STOCKHOLDERS' EQUITY AND PARTNERS' CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 1995

	Common Stock		Retained Earnings and Partners' Capital	Total
	Shares	Amount		
BALANCE, December 31, 1994	10,100	$1,100	$368,019	$369,119
Net income	-	-	265,216	265,216
Distributions	-	-	(97,464)	(97,464)
BALANCE, December 31,1995	10,100	$1,100	$535,771	$536,871

The accompanying notes are an integral part of this combined financial statement.

COMBINED COMPANIES (CITY, ALPINE AND LGI)

COMBINED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 1995

CASH FLOWS FROM OPERATING ACTIVITIES:	$ 265,216
Net income	
Adjustments to reconcile net income to net cash provided by operating activities-	
Depreciation and amortization	462,252
Provision for doubtful accounts	25,468
Deferred income taxes	(78,611)
Loss on sale of assets	6,316
Changes in assets and liabilities-	
Accounts receivable	(16,521)
Prepaid expenses and other	20,159
Accounts payable and accrued liabilities	18,407
Deferred revenue	278,417
Income taxes payable	88,819
Net cash provided by operating activities	1,069,922
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property and equipment	(477,910)
Purchase of service route	(253,317)
Net cash used in investing activities	(731,227)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from borrowings	616,700
Repayments of borrowings	(392,370)
Distributions to partners	(97,464)
Net cash provided by financing activities	126,866
NET INCREASE IN CASH	465,561
CASH AT BEGINNING OF PERIOD	264,306
CASH AT END OF PERIOD	$ 729,867
SUPPLEMENTAL CASH FLOW INFORMATION:	
Cash paid for taxes	$ -
Cash paid for interest	$ 135,575

The accompanying notes are an integral part of this combined financial statement.

COMBINED COMPANIES (CITY, ALPINE AND LGI)

NOTES TO COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 1995

1. ORGANIZATION AND BUSINESS

The accompanying combined balance sheet and related combined statements of operations, stockholders' equity and partners' capital and cash flows include the following companies (collectively, the Combined Companies).

City Disposal, Inc. (City), provides waste collection and recycling services primarily in Denver, Colorado.

Alpine Disposal and Recycling, Inc. (Alpine), provides waste collection and recycling services in Portland, Oregon.

L.G. Industries, Inc. (LGI), operates a construction and demolition waste transfer station and holds a 50 percent interest in a joint venture with Garnet of Maryland (a subsidiary of Sanifill, Inc.). This joint venture operates a municipal solid waste transfer station. LGI and the joint venture operate in the same facility in Washington, D.C., and serve customers primarily in the Washington, D.C., and Annapolis, Maryland, markets.

In February, May and August 1996, Sanifill, Inc. (Sanifill), acquired City, Alpine and LGI, respectively. The purchase price for each of these companies is sufficient to allow each company to recover the recorded value of its assets.

Sanifill intends to integrate the Combined Companies into its existing operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Fiscal Year

Although the accompanying combined financial statements are dated as of and for the year ended December 31, 1995, one of the companies has a fiscal year-end of October 31, 1995. The combined financial statements include 12 months of the Combined Companies' operations, the fiscal year-ends of which are all within 93 days of the December 31, 1995, year-end.

Revenue Recognition

The Combined Companies' revenues are comprised primarily of collection fees charged to customers and sales of recyclables. Revenues are recorded in the combined financial statements as the services are performed.

Operating Costs

Operating costs include labor, fuel, equipment maintenance, disposal fees and other direct costs of operating the collection and recycling operations.

General and Administrative Expenses

General and administrative expenses include corporate management salaries, clerical and other administrative overhead.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for major additions and improvements are capitalized. Minor replacements, maintenance and repairs which do not improve or extend the life of such assets are charged to operations as incurred. Disposals are removed at cost less accumulated depreciation and amortization, and any resulting gain or loss is reflected in current operations. The Combined Companies have computed depreciation for financial reporting purposes on the straight-line method. The estimated lives used in computing depreciation are as follows:

	YEARS
Machinery and equipment	3-10 years
Buildings and improvements	3-31 years

Other Assets

Other assets consist primarily of contracts purchased by one of the Combined Companies (Alpine) to provide trash collection services to residential and commercial customers within the city of Portland, Oregon. The purchased contracts are accounted for using the purchase method of accounting and are amortized over the life of each contract, ranging from three to 15 years.

The financial results of the purchased contracts have been included in the combined financial statements of the Combined Companies from the date each contract was purchased. During the year ended December 31, 1995, Alpine purchased one contract from the city of Portland, Oregon, for $253,317 which is being amortized over the life of the contract, three years. The pro forma effect of the purchased contract for the full year was not material to the results of operations or financial position for the Combined Companies.

Use of Estimates

The preparation of financial statements in conformity with generally accepted principles requires the Combined Companies 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 affect the reported amounts of revenues and expenses during the reporting period.

Income Taxes

Alpine is a partnership for federal income tax purposes. In accordance with the partnership provisions of the Internal Revenue Code, the earnings of Alpine are included in the personal tax returns of the partners; therefore, no federal or state income tax expense is recorded in the accompanying combined financial statements for the income of this entity.

City and LGI are C Corporations for federal income tax purposes. City and LGI use the liability method in accounting for income taxes. Under this method, deferred taxes are recorded based upon differences between the financial reporting basis and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

3. STOCKHOLDERS' EQUITY:

Common stock of the corporate entities as of December 31, 1995, consists of the following:

Combined Company	Par Value	Shares Authorized	Shares Issued and Outstanding
City Disposal, Inc.	No par	50,000	10,000
L.G. Industries, Inc.	No par	10,000	100

4. PROPERTY AND EQUIPMENT:

A summary of property and equipment as of December 31, 1995, is as follows:

Machinery and equipment	$1,972,347
Buildings and improvements	157,134
	2,129,481
Less-Accumulated depreciation and amortization	858,298
Total Property and equipment, net	$1,271,183

Maintenance and repairs charged to operations during 1995 were approximately $227,287.

5. OTHER ASSETS:

A summary of other assets, net of accumulated amortization, as of December 31, 1995, is as follows:

Route Costs	$ 569,160
Other assets	9,074
Total other assets	$ 578,234

6. ACCRUED LIABILITIES:

Accrued liabilities and other consist of the following at December 31, 1995:

Accrued wages	$ 13,134
Other accruals	50,810
Total accrued liabilities and other	$ 63,944

7. LONG-TERM OBLIGATIONS:

Long-Term Debt

Long-term debt consists of the following as of December 31, 1995:

Notes payable, maturing in varying amounts from December 1996 through July 2004, with interest ranging from 7.8% to 10.5%	$1,089,572
Notes payable, due in March 2001, with interest at prime plus 2.75%	371,095
Line of credit with a bank, due in January 1996, with interest at prime plus 3%	55,000
	1,515,667
Less-Current maturities	319,973
Long-term debt, net of current maturities	$1,195,694

Notes Payable to Related Parties

Notes payable to related parties consists of the following as of December 31, 1995:

Notes payable, maturing in varying amounts from December 1997 through November 2004, with interest ranging from 8% to 10%	$103,232
Less-Current maturities	16,879
Long-term debt to related parties, net of current maturities	$ 86,353

Interest expense for 1995 on related-party debt totaled $6,962.

Aggregate maturities of long-term debt and notes payable to related parties are as follows:

Year ending December 31	
1996	$ 336,852
1997	264,923
1998	238,039
1999	233,155
2000	235,924
Thereafter	310,006
Total	$1,618,899

The notes payable are collateralized by various property and equipment of the Combined Companies.

8. RELATED-PARTY TRANSACTIONS:

In February 1995, LGI entered into a joint venture agreement with Garnet of Maryland (GOM) for the operation of a municipal solid waste transfer station in Washington, D.C. Under the terms of this agreement, the joint venture (LGI/GOM) is operated in a Washington, D.C. facility leased by LGI. LGI leases this facility to LGI/GOM under a sublease agreement. Furthermore, under the terms of the joint venture agreement, LGI receives reimbursement of various operating expenses and receives a guaranteed royalty of at least $25,000 per month. In the event that LGI/GOM's net income exceeds $25,000 per month, LGI and GOM participate in profits on a 50/50 basis, with any amounts paid to LGI under the $25,000 guarantee, reducing the amount of profit allocable to LGI. As a condition to entering into the joint venture agreement, LGI received a payment of $250,000 from GOM as an access fee. This amount is recorded in deferred revenue and is being amortized over the life of the agreement (10 years). The table below details LGI's related-party transactions for 1995:

Guaranteed royalties	$250,000
Reimbursement of operating expenses	14,400
Reimbursement of rent expense	192,984
Accounts receivable from LGI/GOM	160,800

9. FEDERAL INCOME TAXES:

Deferred tax assets and liabilities are recognized and presented considering the future consequences of temporary differences between the financial statement basis and the tax basis of assets and liabilities using the tax rates in effect during the period when taxes are actually paid or recovered.

Federal income taxes have been provided based on the statutory rate of 34 percent plus applicable state taxes. Components of the income tax provision reflected in the accompanying combined statement of operations for the year ended December 31, 1995, consist of the following:

Current -	
Federal	$ 31,348
State	96,361
Total	127,709
Deferred -	
Federal	(63,492)
State	(15,119)
Total	(78,611)
Total income tax provision	$ 49,098

A reconciliation of the total income tax provision to the amounts calculated by applying the federal statutory tax rate is as follows:

Tax at statutory rate	$106,867
State taxes	7,463
Utilization of prior-year net operating losses	(31,654)
Effect of excluding income of partnership	(33,578)
Total income tax provision	$ 49,098

The components of deferred income tax assets and liabilities are as follows:

	Current	Long-Term
Deferred income tax assets -		
Deferred revenue	$59,429	$95,019
Cash to accrual conversions	20,625	--
State tax credits	19,425	--
Total deferred income tax assets	99,479	95,019
Deferred income tax liabilities -		
Property and equipment	--	65,060
Total deferred income tax liabilities	--	65,060
Net deferred income tax asset	$99,479	$29,959

The components of deferred income tax benefit for 1995 are as follows:

Deferred revenues	$(56,982)
Depreciation	22,231
Cash to accrual conversions	(43,860)
Deferred income tax benefit	$(78,611)

10. COMMITMENTS AND CONTINGENCIES:

Leases

The Combined Companies have various operating leases for facilities and equipment. Rental expense under operating and month-to-month leases, net of subleases, was $118,142 for the year ended December 31, 1995.

LGI entered into an operating lease for the Washington, D.C., coliseum for the purpose of operating a construction and demolition transfer station. As discussed in Note 8, LGI entered into a sublease agreement for this property whereby rent expense is 100 percent reimbursed by LGI/GOM. Future minimum lease payments, net of subleases, are as follows:

1996		$ 153,500
1997		163,000
1998		172,900
1999		181,545
2000		190,622
Thereafter		757,204
	Total	$1,618,771

Other than the lease described above, the Combined Companies have no significant long-term noncancelable operating lease obligations.

Litigation

The Combined Companies are involved in certain claims and litigation arising in the normal course of business. Management believes the outcome of such matters will not have an adverse effect on the Combined Companies' combined financial position or results of operations.

11. SUBSEQUENT EVENTS:

On August 30, 1996, Sanifill merged into USA Waste, Inc. (USA). Under the terms of the merger, each share of Sanifill's outstanding common stock was exchanged for 1.70 shares of USA common stock. In addition, USA assumed all of Sanifill's options and warrants outstanding.

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.

USA WASTE SERVICES, INC.

By /s/ GREGORY T. SANGALIS

Gregory T. Sangalis
Vice President, General Counsel
& Secretary

November 13, 1996

USA WASTE SERVICES, INC.

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT
23.1	Consent of Independent Auditors
23.2	Consent of Independent Accountants
23.3	Consent of Independent Auditors
23.4	Consent of Independent Auditors
23.5	Consent of Independent Auditors
23.6	Consent of Independent Public Accountants
23.7	Consent of Independent Auditors

EXHIBIT 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the USA Waste Services, Inc. Registration Statements on Form S-4 (File Nos. 33-77110, 33-59259, 33-60103, 33-63981, 333-02181 and 333-08161), Registration Statements on Form S-3 (File Nos. 33-42988, 33-43809, 33-76226, 33-85018, 333-00097, and 333-08573), and Registration Statements on Form S-8 (File Nos. 33-43619, 33-72436, 33-84988, 33-84990, 33-59807, 33-61621, 33-61625, 33-61627, 333-14115, and 333-14613), of our report dated October 25, 1996, on our audit of the balance sheet of Les Entreprises de Rebuts Sanipan Inc. as of December 31, 1995, and the related statements of earnings and retained earnings and changes in financial position for the year then ended, our report dated October 25, 1996, on our audit of the balance sheet of Transport Sanico Ltee as of December 31, 1995, and the related statements of earnings and retained earnings and changes in financial position for the year then ended, our report dated November 8, 1996, on our audit of the historical summary of revenues and direct operating expenses of the Combined Ontario and Michigan Operations of the Solid Waste Division of Philip Environmental Inc. for the year ended December 31, 1995, and our report dated November 8, 1996, on our audit of the historical summary of the net book value of property, plant and equipment of the Combined Ontario and Michigan Operations of the Solid Waste Division of Philip Environmental Inc. for the year ended December 31, 1995, which are included in this Current Report on Form 8-K/A.

/s/ DELOITTE & TOUCHE

DELOITTE & TOUCHE

Chartered Accountants

Mississauga, Ontario
November 13, 1996

EXHIBIT 23.2

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the USA Waste Services, Inc. Registration Statements on Form S-4 (File Nos. 33-77110, 33-59259, 33-60103, 33-63981, 333-02181, and 333-08161), Registration Statements on Form S-3 (File Nos. 33-42988, 33-43809, 33-76226, 33-85018, 333-00097, and 333-08573), and Registration Statements on Form S-8 (File Nos. 33-43619, 33-72436, 33-84988, 33-84990, 33-59807, 33-61621, 33-61625, 33-61627, 333-14115, and 333-14613), of our report dated October 15, 1996, on our audit of the balance sheet of Kasper Brothers, Inc. as of September 30, 1995 and the related statements of operations and retained earnings and cash flows for the fiscal year then ended, which is included in this Current Report on Form 8-K/A.

COOPERS & LYBRAND L.L.P.

Philadelphia, Pennsylvania
November 13, 1996

EXHIBIT 23.3

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the USA Waste Services, Inc. Registration Statements on Form S-4 (File Nos. 33-77110, 33-59259, 33-60103, 33-63981, 333-02181, and 333-08161), Registration Statements on Form S-3 (File Nos. 33-42988, 33-43809, 33-76226, 33-85018, 333-00097, and 333-08573), and Registration Statements on Form S-8 (File Nos. 33-43619, 33-72436, 33-84988, 33-84990, 33-59807, 33-61621, 33-61625, 33-61627, 333-14115, and 333-14613), of our report dated March 11, 1996, on our audit of the balance sheets of The Arnoni Group of Companies (consisting of The Arnoni Group, Inc., M.C. Arnoni Company, South Hills Disposal Company, Cochran Mill Associates, Inc. and Arnoni Family Partnership) as of December 31, 1995, and the related combined statement of income and retained earnings and combined statement of cash flows for the year then ended, which is included in this Current Report on Form 8-K/A.

KAPLAN SIPOS & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Pittsburgh, Pennsylvania
November 13, 1996

EXHIBIT 23.4

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the USA Waste Services, Inc. Registration Statements on Form S-4 (File Nos. 33-77110, 33-59259, 33-60103, 33-63981, 333-02181, and 333-08161), Registration Statements on Form S-3 (File Nos. 33-42988, 33-43809, 33-76226, 33-85018, 333-00097, and 333-08573), and Registration Statements on Form S-8 (File Nos. 33-43619, 33-72436, 33-84988, 33-84990, 33-59807, 33-61621, 33-61625, 33-61627, 333-14115, and 333-14613), of our report dated March 18, 1996, on our audit of the balance sheet of Jennings Environmental Services, Inc. (an S corporation) as of December 31, 1995 and the related statements of income and changes in stockholders' equity and the statement of cash flows for the year then ended, which is included in this Current Report on Form 8-K/A.

BLAKE, KUEHLER, BABIONE & POOL

Orlando, Florida
November 13, 1996

EXHIBIT 23.5

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the USA Waste Services, Inc. Registration Statements on Form S-4 (File Nos. 33-77110, 33-59259, 33-60103, 33-63981, 333-02181, and 333-08161), Registration Statements on Form S-3 (File Nos. 33-42988, 33-43809, 33-76226, 33-85018, 333-00097, and 333-08573), and Registration Statements on Form S-8 (File Nos. 33-43619, 33-72436, 33-84988, 33-84990, 33-59807, 33-61621, 33-61625, 33-61627, 333-14115, and 333-14613), of our report dated September 19, 1996, on our audits of the combined balance sheet of Grand Central Sanitation, Inc. and Related Companies as of December 31, 1995, and the related combined statements of income, stockholders' equity and cash flows for the year then ended, which is included in this Current Report on Form 8-K/A.

BUCKNO LISICKY & COMPANY

Allentown, Pennsylvania
November 13, 1996

EXHIBIT 23.6

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

We consent to the incorporation by reference in the USA Waste Services, Inc. Registration Statements on Form S-4 (File Nos. 33-77110, 33-59259, 33-60103, 33-63981, 333-02181, and 333-08161), Registration Statements on Form S-3 (File Nos. 33-42988, 33-43809, 33-76226, 33-85018, 333-00097, and 333-08573), and Registration Statements on Form S-8 (File Nos. 33-43619, 33-59807, 33-61621, 33-61625, 33-61627, 33-72436, 33-84988, 33-84990, 333-14115, and 333-14613), of our report dated February 2, 1996, on our audit of the Combined balance sheet of Garnet of Virginia, Inc., and Garnet of Maryland, Inc., as of December 31, 1995 and the related combined statements of operations, stockholders' deficit and cash flows for the year then ended, and our report dated September 13, 1996, on our audit of the combined balance sheet of the Combined Companies (consisting of City Disposal, Inc., Alpine Disposal and Recycling, Inc. and L.G. Industries, Inc.) as of December 31, 1995, and the related combined statements of operations, stockholders' equity and partners' capital and cash flows for the year then ended, which are included in this Current Report on Form 8-K/A.

ARTHUR ANDERSEN LLP

Houston, Texas
November 13, 1996

EXHIBIT 23.7

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the USA Waste Services, Inc. Registration Statements on Form S-4 (File Nos. 33-77110, 33-59259, 33-60103, 33-63981, 333-02181, and 333-08161), Registration Statements on Form S-3 (File Nos. 33-42988, 33-43809, 33-76226, 33-85018, 333-00097, and 333-08573), and Registration Statements on Form S-8 (File Nos. 33-43619, 33-72436, 33-84988, 33-84990, 33-59807, 33-61621, 33-61625, 33-61627, 333-14115, and 333-14613), of our report dated July 13, 1996, on our audit of the combined balance sheet of The Orange Group (consisting of Orange Waste, Recycling & Materials, Inc., Orange Soil Cement, Inc., Orange Trucking, Inc. and Orange Transportation Corp.), as of December 31, 1995, and the related combined statements of operations, retained earnings, and cash flows for the year then ended, which is included in this Current Report on Form 8-K/A.

OSBURN, HENNING AND COMPANY

Orlando, Florida
November 13, 1996