



Comparison of County Government Finances by Size Groupings

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Annually, county officers go through the general fund budget process and decide how limited funds will be allocated among numerous county services. Budgeting can be a stressful process and county officials often search for guidelines and information helpful to them. A common practice is to compare one county to other counties of similar size (in terms of population and/or taxable value). Revenue and expenditure data for each county in Oklahoma is published annually by the Oklahoma Cooperative Extension Service.¹ These data allows one-to-one county comparisons. However, little information has been published that examines county revenues and expenditures by size groups. This report provides a stratification of county revenues and expenditures by two size variables: (1) population and (2) net assessed (taxable) value. This information will aid comparison and contrast of counties, especially at budget time.

Stratification or dividing the state's counties into size groups is necessary because of the wide range of population sizes and the economic and geographic diversity encountered across Oklahoma. In this report, two methods are used to group counties: (1) population and (2) net assessed value. Tulsa, Oklahoma, and Cleveland Counties are by far the most populous and the wealthiest in terms of total assessed value. These distinctions make them unique in comparison to the other 74 counties. Because of the great difference that exists, this report excludes Tulsa, Oklahoma and Cleveland Counties.

County Rankings

Table 1 ranks the remaining 74 counties in order of increasing population² size. The 2012 assessed value (2013 Fiscal Year) is also shown in the table. Table 2 ranks these 74 counties in order of increasing assessed value. Each county's population is also presented. It is interesting to compare a county's place in Table 1 with its place in Table 2. For example, Harmon County has

the next to smallest population (Table 1) and has the smallest net assessed value (Table 2). On the other hand, Cimarron County has the smallest population but is listed 7th in Table 2. One could surmise that Harmon County has a relatively small number of people and a relatively small tax base. Cimarron County has relatively few people, but relatively more assessed value per person. Beaver County is even more pronounced in this regard. Beaver is ranked 8th in population, but is ranked 35th in assessed value. Generally speaking, the greater the tax base (assessed value), the easier it is for county government services to be provided at adequate levels and quality to the citizens.

Since the ad valorem tax is so important in financing county government, counties with larger assessed valuations and valuation per capita can more easily finance county government services. Counties with smaller assessed values and smaller populations will tend to have a heavier tax burden per person even when minimal levels of county services are provided. Tables 3 through 6 support these assertions.

Stratification

Stratification of counties was performed in such a way as to have several counties in each group and to make the groups cover a reasonably similar range of population or assessed value. Four population groups were selected:

- (1) Group I – populations up to 10,000;
- (2) Group II – populations of 10,000 to 20,000;
- (3) Group III – populations of 20,000 to 45,000; and,
- (4) Group IV – populations of 45,000 to 130,000.

For assessed value, five groups were selected;

- (1) Group I – assessed values of up to \$60 million;
- (2) Group II - \$60 to \$110 million;
- (3) Group III – assessed values \$110 to \$175 million;
- (4) Group IV - \$175 to \$300 million; and,
- (5) Group V- \$300 million to \$975 million.

¹ Abstract of County Government General, Highway, and Special Revenue Funds in Oklahoma, Fiscal Year 2012-2013.

² U.S. Bureau of Census 2012 Estimates.

Table 1. County Population and Net Assessed Value in Order of Ascending Population, Fiscal Year 2013

#	County	Population	Assessed Value	Assessed Value Per Capita	#	County	Population	Assessed Value	Assessed Value Per Capita
1	Cimarron	2,385	48,431,201	20,307	38	Texas	21,498	207,199,040	9,638
2	Harmon	2,906	19,483,380	6,705	39	Adair	22,286	81,552,915	3,659
3	Harper	3,676	82,204,293	22,362	40	Beckham	23,081	242,179,593	10,493
4	Roger Mills	3,774	186,796,421	49,496	41	Seminole	25,450	121,384,324	4,770
5	Ellis	4,104	69,775,453	17,002	42	Jackson	26,446	127,045,301	4,804
6	Grant	4,516	113,895,434	25,220	43	Garvin	27,297	187,885,023	6,883
7	Dewey	4,783	145,999,734	30,525	44	Custer	28,536	215,911,168	7,566
8	Beaver	5,591	130,946,342	23,421	45	Caddo	29,678	167,122,266	5,631
9	Alfalfa	5,666	76,178,887	13,445	46	Ottawa	32,236	141,911,591	4,402
10	Coal	5,963	87,481,668	14,671	47	McCurain	33,203	173,815,533	5,235
11	Greer	6,082	26,885,175	4,420	48	Lincoln	34,189	221,103,055	6,467
12	Cotton	6,155	36,146,875	5,873	49	McClain	35,613	231,515,003	6,501
13	Jefferson	6,377	32,520,721	5,100	50	Pontotoc	37,958	198,832,105	5,238
14	Major	7,683	85,295,572	11,102	51	Okmulgee	39,625	159,450,144	4,024
15	Tillman	7,822	41,584,192	5,316	52	Mayer	41,168	293,671,327	7,133
16	Woods	8,832	120,703,655	13,667	53	Sequoyah	41,398	158,863,160	3,837
17	Kiowa	9,310	65,345,879	7,019	54	Delaware	41,441	337,020,036	8,133
18	Love	9,558	62,207,960	6,508	55	Bryan	43,399	270,157,459	6,225
19	Blaine	9,785	106,715,110	10,906	56	Logan	43,666	283,498,800	6,492
20	Nowata	10,611	51,843,390	4,886	57	Stephens	44,779	295,116,071	6,591
21	Johnston	11,003	68,954,912	6,267	58	Pittsburg	45,048	357,042,022	7,926
22	Latimer	11,019	60,831,259	5,521	59	Kay	45,831	346,583,548	7,562
23	Pushmataha	11,205	43,712,641	3,901	60	Osage	47,917	281,266,018	5,870
24	Noble	11,522	151,193,501	13,122	61	Carter	48,085	362,690,533	7,543
25	Washita	11,622	121,206,198	10,429	62	Cherokee	48,150	175,746,126	3,650
26	Okfuskee	12,358	58,426,906	4,728	63	LeFlore	49,873	220,514,780	4,422
27	Haskell	12,938	53,339,015	4,123	64	Washington	51,633	312,769,959	6,058
28	Murray	13,663	67,360,749	4,930	65	Grady	53,118	325,746,713	6,133
29	Hughes	13,836	123,600,410	8,933	66	Garfield	61,189	453,974,159	7,419
30	Atoka	14,007	72,638,844	5,186	67	Muskogee	70,596	469,017,763	6,644
31	Craig	14,748	78,009,335	5,289	68	Creek	70,651	421,471,223	5,966
32	Kingfisher	15,005	142,437,894	9,493	69	Pottawatomie	70,760	302,682,017	4,278
33	Choctaw	15,182	60,039,965	3,955	70	Wagoner	75,030	443,903,968	5,916
34	Marshall	15,957	105,896,389	6,636	71	Payne	78,399	619,871,174	7,907
35	Pawnee	16,474	80,003,033	4,856	72	Rogers	88,367	747,642,189	8,461
36	Woodward	20,548	253,360,102	12,330	73	Canadian	122,560	961,766,630	7,847
37	McIntosh	20,584	102,134,207	4,962	74	Comanche	126,390	670,208,050	5,303

All counties except Oklahoma, Tulsa, and Cleveland Counties. These three are excluded because their sheer size skews the statistics presented in Tables 3 through 10.

Tables 3 through 10 show the average amounts of several revenue and expenditure categories for the 74 counties altogether and for each stratification grouping. Tables 3 and 4 contain the General Fund averages for all counties and for each of the population groups. Tables 5 and 6 contain the General Fund averages for each of the assessed value groups. Tables 7 and 10 represent the Highway and Cash Fund averages for all counties and for each population group. Tables 4, 6 and 10 provide per capita averages, while Table 8 provides per road mile averages.

General Fund by Population

Average cash surplus (carry-over), revenue streams, and expenditures for all 74 counties and for each of the

four populations groups are shown in Table 3. Beginning cash surplus plus total revenue equals the total dollars available for financing county general fund activities. This is labeled Total Revenue and Cash Balance in Table 3. End of Year Cash Surplus and population averages are also included. Notice that the average population of each group is roughly one-half of the next larger group.

It is important to note that “Total Revenue” and “Total Revenue and Cash Balance” do not necessarily represent all funds available. Counties also have “Surplus Transferred,” an item made up largely of back taxes (delinquent taxes) paid during the current fiscal year. Counties do not usually budget these funds. Because items like delinquent taxes are not included in the table, “Total Revenue and Cash Balance” minus “Total Expen-

Table 2. County Population and Net Assessed Value in Order of Ascending Net Assessed Valuation, Fiscal Year 2013

#	County	Population	Assessed Value	Assessed Value Per Capita	#	County	Population	Assessed Value	Assessed Value Per Capita
1	Harmon	2,906	19,483,380	6,705	38	Dewey	4,783	145,999,734	30,525
2	Greer	6,082	26,885,175	4,420	39	Noble	11,522	151,193,501	13,122
3	Jefferson	6,377	32,520,721	5,100	40	Sequoyah	41,398	158,863,160	3,837
4	Cotton	6,155	36,146,875	5,873	41	Okmulgee	39,625	159,450,144	4,024
5	Tillman	7,822	41,584,192	5,316	42	Caddo	29,678	167,122,266	5,631
6	Pushmataha	11,205	43,712,641	3,901	43	McCurtain	33,203	173,815,533	5,235
7	Cimarron	2,385	48,431,201	20,307	44	Cherokee	48,150	175,746,126	3,650
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9	Haskell	12,938	53,339,015	4,123	46	Garvin	27,297	187,885,023	6,883
10	Okfuskee	12,358	58,426,906	4,728	47	Pontotoc	37,958	198,832,105	5,238
11	Choctaw	15,182	60,039,965	3,955	48	Texas	21,498	207,199,040	9,638
12	Latimer	11,019	60,831,259	5,521	49	Custer	28,536	215,911,168	7,566
13	Love	9,558	62,207,960	6,508	50	LeFlore	49,873	220,514,780	4,422
14	Kiowa	9,310	65,345,879	7,019	51	Lincoln	34,189	221,103,055	6,467
15	Murray	13,663	67,360,749	4,930	52	McClain	35,613	231,515,003	6,501
16	Johnston	11,003	68,954,912	6,267	53	Beckham	23,081	242,179,593	10,493
17	Ellis	4,104	69,775,453	17,002	54	Woodward	20,548	253,360,102	12,330
18	Atoka	14,007	72,638,844	5,186	55	Bryan	43,399	270,157,459	6,225
19	Alfalfa	5,666	76,178,887	13,445	56	Osage	47,917	281,266,018	5,870
20	Craig	14,748	78,009,335	5,289	57	Logan	43,666	283,498,800	6,492
21	Pawnee	16,474	80,003,033	4,856	58	Mayes	41,168	293,671,327	7,133
22	Adair	22,286	81,552,915	3,659	59	Stephens	44,779	295,116,071	6,591
23	Harper	3,676	82,204,293	22,362	60	Pottawatomie	70,760	302,682,017	4,278
24	Major	7,683	85,295,572	11,102	61	Washington	51,633	312,769,959	6,058
25	Coal	5,963	87,481,668	14,671	62	Grady	53,118	325,746,713	6,133
26	McIntosh	20,584	102,134,207	4,962	63	Delaware	41,441	337,020,036	8,133
27	Marshall	15,957	105,896,389	6,636	64	Kay	45,831	346,583,548	7,562
28	Blaine	9,785	106,715,110	10,906	65	Pittsburg	45,048	357,042,022	7,926
29	Grant	4,516	113,895,434	25,220	66	Carter	48,085	362,690,533	7,543
30	Woods	8,832	120,703,655	13,667	67	Creek	70,651	421,471,223	5,966
31	Washita	11,622	121,206,198	10,429	68	Wagoner	75,030	443,903,968	5,916
32	Seminole	25,450	121,384,324	4,770	69	Garfield	61,189	453,974,159	7,419
33	Hughes	13,836	123,600,410	8,933	70	Muskogee	70,596	469,017,763	6,644
34	Jackson	26,446	127,045,301	4,804	71	Payne	78,399	619,871,174	7,907
35	Beaver	5,591	130,946,342	23,421	72	Comanche	126,390	670,208,050	5,303
36	Ottawa	32,236	141,911,591	4,402	73	Rogers	88,367	747,642,189	8,461
37	Kingfisher	15,005	142,437,894	9,493	74	Canadian	122,560	961,766,630	7,847

ditures” does not equal “End of Year Cash Surplus.” As expected, Table 3 shows that, generally, the larger the population of a county, the larger its county government is in terms of revenue and expenditures. Notice that the averages for “Counties* 74” (all 74 counties in the comparison) are most similar to the averages in the 20,000 to 45,000 population group. For all groups, ad valorem revenues are clearly the greatest source of financing, varying from \$848,392 for Group II to \$4,336,300 for Group IV.

Expenditure patterns are quite consistent across population groups. For example, county sheriff expenditures are consistently about 21 percent of expenditures for all four groups. General government (including maintenance and operation, insurance and employee benefits, and workers compensation) varies between

22.6 percent and 28.4 percent of expenditures. County clerk expenditures average 7.13 percent. County sheriff, county clerk, and general government comprise more than half of general fund expenditures for the average county.

The importance of stratifying county government expenditures and revenues becomes clear when examining Table 4. Revenues and expenditures per person are significantly larger in the smaller counties, especially Group I. Contrast the revenues per person in all counties (“Counties* 74”) with revenues per person in Group I. An average \$143.22 in ad valorem taxes is paid by each person in counties with less than 10,000 people, versus an average \$65.99 for all counties. An average \$132.00 per person in county sales taxes are collected in Group I counties versus \$20.86 per

Table 3. County General Fund Average Cash Balance, Revenues, and Total Expenditures, Average Overall and by Population Group, Fiscal Year 2013

		Group I 0 - 10,000 19	Group II 10 - 20,000 16	Group III 20-45,000 22	Group IV* 45-130,000 17
Number of Counties	Counties* 74				
<i>Item</i>		<i>(Dollars)</i>			
General Fund					
Beginning Cash Surplus	1,718,508	2,072,862	1,416,000	1,384,144	2,039,885
Revenues:					
Ad Valorem	1,956,210	866,627	848,392	1,863,740	4,336,300
County Clerk Fees	157,320	78,429	74,352	158,428	322,145
Motor Vehicle Fees	42,979	10,388	21,762	51,195	88,740
Interest on Investments	29,730	29,881	19,304	27,190	42,662
Sales Tax Receipts	618,537	798,700	546,909	227,766	990,298
Other Revenue	799,896	524,024	479,330	728,995	1,501,687
Total Revenue	3,604,672	2,308,049	1,990,049	3,057,313	7,281,833
Total Revenues and Cash Balance	5,323,180	4,380,910	3,406,049	4,441,457	9,321,718
Expenditures:					
District Attorney	15,408	3,762	7,650	10,877	45,697
County Sheriff	701,352	381,680	377,251	660,383	1,416,686
County Treasurer	151,437	102,228	105,852	157,107	242,001
County Commissioners	163,848	201,776	121,340	111,364	242,244
OK Coop. Extension	70,768	31,788	42,280	53,012	130,475
County Clerk	231,238	129,054	145,495	234,702	421,661
Court Clerk	202,651	99,371	108,776	198,512	411,791
County Assessor	154,332	89,975	87,208	152,768	291,460
Reval./Visual Insp.	223,507	86,453	128,531	238,248	446,999
General Government	851,897	507,388	499,788	849,922	1,550,176
Excise/Equal.	4,112	3,109	3,867	3,737	5,947
County Election	92,687	57,205	57,451	91,844	166,598
Other Expenditures	508,506	94,341	273,387	272,848	1,483,821
Total Expenditures	3,371,743	1,788,131	1,958,876	3,035,325	6,855,555
End of Year Cash Surplus	1,967,427	2,557,701	1,477,428	1,538,568	2,323,880
Average Population	29,646	6,051	13,197	32,458	67,859

*All Oklahoma Counties except Oklahoma, Tulsa, and Cleveland

Table 4. Per Capita County General Fund Average Cash Balance, Revenues, and Total Expenditure, Average Overall and by Population Group, Fiscal Year 2013

		Group I 0 - 10,000 19	Group II 10 - 20,000 16	Group III 20-45,000 22	Group IV* 45-130,000 17
Number of Counties	Counties* 74				
<i>Item</i>		<i>(Dollars)</i>			
General Fund					
Beginning Cash Surplus	57.97	342.57	107.30	42.64	30.06
Revenues:					
Ad Valorem	65.99	143.22	64.29	57.42	63.90
County Clerk Fees	5.31	12.96	5.63	4.88	4.75
Motor Vehicle Fees	1.45	1.72	1.65	1.58	1.31
Interest on Investments	1.00	4.94	1.46	0.84	0.63
Sales Tax Receipts	20.86	132.00	41.44	7.02	14.59
Other Revenue	26.98	86.60	36.32	22.46	22.13
Total Revenue	121.59	381.44	150.80	94.19	107.31
Total Revenues and Cash Balance	179.56	724.00	258.10	136.84	137.37
Expenditures:					
District Attorney	0.52	0.62	0.58	0.34	0.67
County Sheriff	23.66	63.08	28.59	20.35	20.88
County Treasurer	5.11	16.89	8.02	4.84	3.57
County Commissioners	5.53	33.35	9.19	3.43	3.57
OK Coop. Extension	2.39	5.25	3.20	1.63	1.92
County Clerk	7.80	21.33	11.02	7.23	6.21
Court Clerk	6.84	16.42	8.24	6.12	6.07
County Assessor	5.21	14.87	6.61	4.71	4.30
Reval./Visual Insp.	7.54	14.29	9.74	7.34	6.59
General Government	28.74	83.85	37.87	26.19	22.84
Excise/Equal.	0.14	0.51	0.29	0.12	0.09
County Election	3.13	9.45	4.35	2.83	2.46
Other Expenditures	17.15	15.59	20.72	8.41	21.87
Total Expenditures	113.73	295.51	148.43	93.52	101.03
End of Year Cash Surplus	66.36	422.69	111.95	47.40	34.25
Average Population	29,646	6,051	13,197	32,458	67,859

*All Oklahoma Counties except Oklahoma, Tulsa, and Cleveland

Table 5. County General Fund Cash Balance, Revenues, and Total Expenditures, by Assessed Value Group, Fiscal Year 2013

	Group I 0 - 60 millions	Group II 60 - 110 millions	Group III 110 - 175 millions	Group IV 175 - 300 millions	Group V* 300-975 millions
Number of Counties	10	18	15	16	15
Item	<i>(Dollars)</i>				
General Fund					
Beginning Cash Surplus	460,598	1,490,396	2,088,836	2,089,445	2,064,854
Revenues:					
Ad Valorem	393,138	971,197	1,324,478	2,060,356	4,700,918
County Clerk Fees	39,173	81,650	114,216	184,365	341,142
Motor Vehicle Fees	11,172	22,947	29,625	44,392	100,069
Interest on Investments	17,424	21,152	33,760	29,951	43,962
Sales Tax Receipts	435,760	661,772	602,023	284,708	1,061,107
Other Revenue	218,124	693,217	616,379	777,188	1,523,499
Total Revenue	1,114,791	2,451,935	2,720,481	3,380,960	7,770,697
Total Revenues and Cash Balance	1,575,389	3,942,330	4,809,317	5,470,405	9,835,551
Expenditures:					
District Attorney	2,451	5,698	6,459	24,331	33,615
County Sheriff	235,555	373,337	527,208	699,830	1,581,268
County Treasurer	70,908	101,815	141,491	171,229	253,504
County Commissioners	69,218	100,951	173,657	136,029	255,604
OK Coop. Extension	47,875	33,387	40,488	61,208	139,266
County Clerk	77,772	144,160	194,348	273,082	430,301
Court Clerk	67,826	110,830	175,307	216,942	414,820
County Assessor	68,737	85,496	127,666	176,948	296,543
Reval./Visual Insp.	79,045	134,796	165,816	260,897	444,078
General Government	343,502	503,572	626,790	1,027,785	1,623,089
Excise/Equal.	3,570	3,415	3,513	4,710	5,269
County Election	52,882	55,547	78,049	106,889	163,281
Other Expenditures	117,487	235,516	146,008	305,593	1,649,641
Total Expenditures	1,236,827	1,888,518	2,406,802	3,465,472	7,290,279
End of Year Cash Surplus	419,138	1,817,601	2,388,599	2,324,450	2,377,416
Population	7,884	11,704	20,250	34,465	69,940

*All Oklahoma Counties except Oklahoma, Tulsa, and Cleveland

Table 6. Per Capita County General Fund Average Cash Balance, Revenues, and Total Expenditures, by Assessed Value Group, Fiscal Year 2013

	Group I 0 - 60 millions	Group II 60 - 110 millions	Group III 110 - 175 millions	Group IV 175 - 300 millions	Group V* 300-975 millions
Number of Counties	10	18	15	16	15
Item	<i>(Dollars)</i>				
General Fund					
Beginning Cash Surplus	58.42	127.34	103.15	60.62	29.52
Revenues:					
Ad Valorem	49.87	82.98	65.41	59.78	67.21
County Clerk Fees	4.97	6.98	5.64	5.35	4.88
Motor Vehicle Fees	1.42	1.96	1.46	1.29	1.43
Interest on Investments	2.21	1.81	1.67	0.87	0.63
Sales Tax Receipts	55.27	56.54	29.73	8.26	15.17
Other Revenue	27.67	59.23	30.44	22.55	21.78
Total Revenue	141.40	209.50	134.35	98.10	111.11
Total Revenues and Cash Balance	199.82	336.84	237.50	158.72	140.63
Expenditures:					
District Attorney	0.31	0.49	0.32	0.71	0.48
County Sheriff	29.88	31.90	26.04	20.31	22.61
County Treasurer	8.99	8.70	6.99	4.97	3.62
County Commissioners	8.78	8.63	8.58	3.95	3.65
OK Coop. Extension	6.07	2.85	2.00	1.78	1.99
County Clerk	9.86	12.32	9.60	7.92	6.15
Court Clerk	8.60	9.47	8.66	6.29	5.93
County Assessor	8.72	7.30	6.30	5.13	4.24
Reval./Visual Insp.	10.03	11.52	8.19	7.57	6.35
General Government	43.57	43.03	30.95	29.82	23.21
Excise/Equal.	0.45	0.29	0.17	0.14	0.08
County Election	6.71	4.75	3.85	3.10	2.33
Other Expenditures	14.90	20.12	7.21	8.87	23.59
Total Expenditures	156.88	161.36	118.86	100.55	104.24
End of Year Cash Surplus	53.16	155.30	117.96	67.44	33.99
Population	7,884	11,704	20,250	34,465	69,940

*All Oklahoma Counties except Oklahoma, Tulsa, and Cleveland

Table 7. County Highway Fund Average Cash Balance, Revenues, and Total Expenditures, Average Overall and by Population Group, Fiscal Year 2013

		Group I 0 - 10,000	Group II 10 - 20,000	Group III 20-45,000	Group IV* 45-130,000
Number of Counties	Counties* 74	19	16	22	17
<i>Item</i>		<i>(Dollars)</i>			
Highway Fund					
Adjusted Cash Balance	2,168,533	2,429,153	1,531,924	2,374,661	2,209,661
Revenues:					
Gross Production Tax	819,736	918,546	506,451	828,457	992,872
Diesel Excise Tax	374,347	298,249	311,472	379,240	512,243
Gasoline Excise Tax	1,042,425	880,988	859,380	1,065,331	1,365,491
Special Fuel Tax	114.07	114.86	84.65	108.37	148.25
Motor Vehicle Tax	1,031,937	908,742	849,867	1,032,573	1,340,162
Cash Fund Balance Forward	64,203	32,058	51,999	82,560	87,861
Other Revenue	891,614	989,897	748,029	851,168	969,251
Total Revenue	4,224,377	4,028,594	3,327,282	4,239,437	5,268,029
Total Revenues and Cash Balance	6,392,911	6,457,747	4,859,207	6,614,099	7,477,689
Total Expenditures	4,319,671	3,861,437	3,336,541	4,473,815	5,557,633
End of Year Cash Surplus	2,073,240	2,596,310	1,522,665	2,140,283	1,920,057
Average Population	29,646	6,051	13,197	32,458	67,859

*All Oklahoma Counties except Oklahoma, Tulsa, and Cleveland

capita for all counties. Total revenue (largely taxes) per person in Group I (\$381.44) is more than triple the aggregate average (\$121.59). The same is also true of total expenditures. These numbers suggest that either small counties collect and spend too much on county government, or there is a basic, fixed cost associated with providing a basic set of county services and small counties have fewer people to spread that cost across. Most likely, the latter explanation more truly describes the situation.

One observation in the data provides particularly strong support for this explanation. Counties usually adopt a sales tax only as a last resort, when basic county services are in danger of being curtailed or eliminated. Citizens are very reluctant to vote for more taxes until they are truly needed. The relatively large sales tax receipts shown (Table 4) for Groups I and II indicate more small counties have adopted a sales tax allocated to the county general fund. In summary,

counties with less than 10,000 people spend more than \$290 per person on county government services financed out of the county general fund and the larger counties (Groups III and IV) spend close to \$100 per person for the same (and, in many cases, additional) services. This phenomenon is called economies of size. Economies of size can be defined as a reduction in cost per person (average cost) because resources are used more intensively, in other words, the same building, piece of office equipment, computer and such can be used to serve more people and therefore more fully utilized. Economies of size are exhibited in that the amount of additional resources necessary for each additional person is smaller. For example, one computer costing \$10,000 might serve the needs of a 10,000 person county or the same computer with \$4,000 of additional memory might serve the needs of a 15,000 person county. Thus, the cost for the additional 5,000 people is much smaller per person.

Table 8. Per Road Mile Highway Fund Average Cash Balance, Revenues, and Total Expenditures, Average Overall and by Population Group, Fiscal Year 2013

		Group I 0 - 10,000 19	Group II 10 - 20,000 16	Group III 20-45,000 22	Group IV* 45-130,000 17
Number of Counties	Counties* 74				
<i>Item</i>		<i>(Dollars)</i>			
Highway Fund					
Adjusted Cash Balance	1,948.44	2,040.83	1,847.22	2,017.79	1,824.95
Revenues:					
Gross Production Tax	736.54	771.71	610.69	703.95	820.01
Diesel Excise Tax	336.35	250.57	375.58	322.25	423.06
Gasoline Excise Tax	936.63	740.15	1,036.25	905.23	1,127.76
Special Fuel Tax	0.10	0.10	0.10	0.09	0.12
Motor Vehicle Tax	927.20	763.47	1,024.78	877.40	1,106.84
Cash Fund Balance Forward	57.69	26.93	62.70	70.15	72.56
Other Revenue	801.12	831.65	901.98	723.25	800.50
Total Revenue	3,795.63	3,384.59	4,012.09	3,602.32	4,350.86
Total Revenues and Cash Balance	5,744.07	5,425.42	5,859.31	5,620.11	6,175.81
Total Expenditures	3,881.25	3,244.15	4,023.25	3,801.48	4,590.04
End of Year Cash Surplus	1,862.82	2,181.27	1,836.05	1,818.64	1,585.77
Average Road Miles	1,113	1,190	829	1,177	1,211

*All Oklahoma Counties except Oklahoma, Tulsa, and Cleveland

General Fund by Assessed Value

Average revenues and expenditures of the five assessed value groups show that the larger the county (in terms of assessed value), the larger the revenues and expenditures (Table 5). Interestingly, the smallest group (Group I) has one of the largest amount of sales taxes and one of the smallest amount of ad valorem revenues in regards to total funds for financing. One may surmise that either sales tax rates are relatively large in the smaller counties or that larger counties place sales taxes in "cash funds" rather than in the general fund. In fact, in FY 2013, both occurred. Most small counties placed some or all of their sales tax in the general fund, while most of the larger counties placed their sales tax in cash funds. At the same time, smaller counties had higher sales tax rates. For example, the average Group 1 county sales tax rate was 1.73 percent, while the average Group 4 sales tax was 0.99 percent.

Per capita spending by assessed value group tells much the same story as told by Table 5. Ad valorem taxes per capita are fairly similar among the groups, as are county clerk fees and motor vehicle fees (Table

6). However, sales tax receipts are \$55.27 per capita for Group I and are only \$15.17 per capita for Group V.

Perhaps the most impressive statistic is the comparative tax burden per capita (Table 6). Group I collects \$141.4 per person, Group II collects \$209.50 per person, and Groups III through V are significantly less. Group V collections per person, for example, are about one-half that of Group II.

Another important point is the apparent economies of size in the provision of county government services. Economies of size refers to the ability to produce a larger quantity of services at a lower cost per unit of service. That is, the larger the county size, the smaller the cost to provide an additional unit of service. For example, Group I counties spend an average \$43.57 per capita on general government (Table 6). Group II supplies these services at \$43.03 per capita, Groups III and IV at \$30.95 and \$29.82 per capita, respectively, and Group V at \$23.21 per capita. Thus, the larger the county is, the smaller the cost per additional citizen. (Note the assumption is made that the same or similar level of services is provided in all counties.) This economies

Table 9. County Cash Fund Revenue and Expenditures, Average Overall and by Population Group, Fiscal Year 2013

		Group I 0 - 10,000	Group II 10 - 20,000	Group III 20-45,000	Group IV* 45-130,000
Number of Counties	Counties* 74	19	16	22	17
<i>Item</i>		<i>(Dollars)</i>			
Cash Revenues:**					
Assessor Revolving Fund	6,064	4,727	5,426	7,952	5,771
County Clerk Mechanic Lien	33,906	30,482	17,906	35,578	50,426
County Clerk Preservation	43,022	19,282	20,732	49,585	82,039
Treasurer Mortgage Certification Fee	6,093	1,251	2,503	6,570	14,267
Resale Property	176,056	29,611	86,792	203,718	382,695
Sheriff Department of Corrections	287,470	224,356	208,869	239,169	543,366
Sheriff Service Fee	265,181	85,096	148,721	373,598	435,755
All Others	241,964	183,134	156,431	212,239	385,302
Total Revenue:	1,059,756	577,938	647,381	1,128,409	1,899,621
Cash Expenditures:**					
Assessor Revolving Fund	6,721	5,426	6,908	9,000	7,192
County Clerk Mechanic Lien	23,379	17,906	15,258	24,478	35,462
County Clerk Preservation	40,430	20,732	20,567	43,239	76,496
Treasurer Mortgage Certification Fee	5,013	2,503	1,888	5,953	10,685
Resale Property	140,717	86,792	65,962	168,751	296,397
Sheriff Department of Corrections	287,099	208,869	217,372	226,534	569,319
Sheriff Service Fee	277,322	148,721	164,926	391,663	451,481
All Others	228,036	146,575	146,575	203,317	400,094
Total Expenditures:	1,008,717	637,525	639,455	1,072,935	1,847,126
Population:	29,646	6,051	13,197	32,943	67,859

*All Counties except Tulsa, Oklahoma, and Cleveland

***Assessor Revolving* includes various county funds such as Assessor Fund, Assessor H-4, Assessor Hardware, and County Assessor. *County Clerk Mechanic Lien* consists of funds like County Clerk, County Clerk F-4, and County Clerk Mechanic Lien Fee. *Treasurer Mortgage Certification Fee* comprises of various county funds including County Treasurer Certification Fee, Treasurer Fund, Treasurer Cash, Mortgage Certification Fee, and Mortgage Tax. *Resale Property* includes the individual funds Resale Property and Resale Voucher. *Sheriff Department of Corrections* is a combination of the various funds like Sheriff Board of Prisoners, Board of Prisoners, Sheriff Cont. Pris., and Sheriff Prisoner. *Sheriff Service Fee* includes multiple county funds such as Sheriff Fee Fund, Sheriff Service Fee B-4, County Sheriff, Sheriff Cash, and Sheriff Revolving.

Table 10. County Cash Fund Revenue per Capita, Average Overall and by Population Group, Fiscal Year 2013

		Group I 0 - 10,000	Group II 10 - 20,000	Group III 20-45,000	Group IV* 45-130,000
Number of Counties	Counties* 74	19	16	22	17
<i>Item</i>		<i>(Dollars)</i>			
Cash Revenues:**					
Assessor Revolving Fund	0.20	0.78	0.41	0.24	0.09
County Clerk Mechanic Lien	1.14	5.04	1.36	1.08	0.74
County Clerk Preservation	1.45	3.19	1.57	1.51	1.21
Treasurer Mortgage Certification Fee	0.21	0.21	0.19	0.20	0.21
Resale Property	5.94	4.89	6.58	6.18	5.64
Sheriff Department of Corrections	9.70	37.08	15.83	7.26	8.01
Sheriff Service Fee	8.94	14.06	11.27	11.34	6.42
All Others	8.16	30.27	11.85	6.44	5.68
Total Revenues:	35.75	95.51	49.06	34.25	27.99
Cash Expenditures:**					
Assessor Revolving Fund	0.23	0.90	0.52	0.27	0.11
County Clerk Mechanic Lien	0.79	2.96	1.16	0.74	0.52
County Clerk Preservation	1.36	3.43	1.56	1.31	1.13
Treasurer Mortgage Certification Fee	0.17	0.41	0.14	0.18	0.16
Resale Property	4.75	14.34	5.00	5.12	4.37
Sheriff Department of Corrections	9.68	34.52	16.47	6.88	8.39
Sheriff Service Fee	9.35	24.58	12.50	11.89	6.65
All Others	7.69	24.22	11.11	6.17	5.90
Total Expenditures:	34.03	105.36	48.46	32.57	27.22
Population:	29,646	6,051	13,197	32,943	67,859

*All Counties except Tulsa, Oklahoma, and Cleveland

***Assessor Revolving* includes various county funds such as Assessor Fund, Assessor H-4, Assessor Hardware, and County Assessor. *County Clerk Mechanic Lien* consists of funds like County Clerk, County Clerk F-4, and County Clerk Mechanic Lien Fee. *Treasurer Mortgage Certification Fee* comprises of various county funds including County Treasurer Certification Fee, Treasurer Fund, Treasurer Cash, Mortgage Certification Fee, and Mortgage Tax. *Resale Property* includes the individual funds Resale Property and Resale Voucher. *Sheriff Department of Corrections* is a combination of the various funds like Sheriff Board of Prisoners, Board of Prisoners, Sheriff Cont. Pris., and Sheriff Prisoner. *Sheriff Service Fee* includes multiple county funds such as Sheriff Fee Fund, Sheriff Service Fee B-4, County Sheriff, Sheriff Cash, and Sheriff Revolving.

of size characteristic is also shown for county sheriff, county treasurer, cooperative extension, county clerk, court clerk, assessor, revaluation/visual inspection, excise/equalization board and election expense. Total expenditures per capita range from \$161.36 to \$100.55 per capita (Table 6). In summary, there is strong evidence indicating the potential for cost savings through economies of size. Unfortunately, several smaller counties are losing, rather than gaining, population, but new technologies are constantly being developed that may assist counties in maintaining services at reasonable cost.

Highway Fund by Road Miles

Tables 7 and 8 represent the County Highway Fund Average Cash Balance, Revenues, and Total Expenditures, for 74 counties and by population group. While the General Fund and Cash Funds are presented showing averages per capita, the Highway Fund is presented as average dollars per road mile in Table 8.

At least four observations are made from the information in these tables. First, in all four population groups, the beginning of year cash balance (Adjusted Cash Balance) is comparable. The Group I counties carry (on average) a cash balance as large as the largest counties. Second, gross production tax revenue is

largest in the Group I and Group IV counties. Smaller population counties such as Alfalfa, Beaver, Dewey, Ellis and Roger Mills have relatively large oil and gas production. Consequently, they boost the average gross production tax revenue for roads among the Group I counties. Third, the Group 1 counties have (on average) a larger number of road miles than Group II and Group III counties (Table 8). Fourth, the Group I counties have (on average) more "Other Revenue" than the Group III and Group IV counties. How is this possible? It turns out that of the 19 counties in Group 1, three had extraordinarily high "other revenue" that year due to the following: sales and use tax, CBRI (county bridge and road improvement) fund revenue, sale of county property and road crossing permit charges; all being placed in the county highway (road) fund. Most counties don't put sales, use and CBRI funds directly into their highway fund. Rather, most place these in separate "cash funds."

Cash Funds by Population

Average cash revenues and expenditures for all 74 counties and the four population groups are represented in Tables 9 and 10. When studying Table 9, it is apparent that average revenues and expenditures are directly correlated with population. Total Revenue ranges from

\$577,938 in Group I to \$ \$1,899,621 in Group IV, and total expenditures range from \$637,525 in Group I to \$1,847,126 in Group IV. Table 10 represents per capita group averages of total revenues and expenditures and indicates an inverse relationship to population. Group I has the largest total revenue and expenditures at \$95.51 and \$105.36 per capita, respectively, and Group IV has the lowest at \$27.99 and \$27.22, respectively.

Summary and Conclusions

In the current economic and institutional environment in Oklahoma, county government in smaller counties (in terms of population and taxable value) collect nearly three times as much revenue per capita to finance county general fund expenditures. Larger counties seem to benefit from economies of size in the provision of county government services. Smaller counties rely more heavily on the county sales tax to supplement property tax revenues. Larger counties with an adequate tax base (greater property wealth) adopt a smaller county sales tax rate. Nevertheless, since county sales taxes are voted on locally, each county has some control of its own future in this regard. If citizens adopt a sales tax, it is assumed that they are willing to pay the price to maintain a certain set of county government services.

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