



# Comparison of County Government Finances by Size Groupings

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County officers go through the General Fund budget process annually 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 that is helpful. 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.<sup>1</sup> These data allow 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 and the economic and geographic diversity encountered across Oklahoma. Stratification by (1) population and (2) net assessed value is reasonably accomplished for all but three counties. 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, this report excludes Tulsa, Oklahoma and Cleveland Counties.

## County Rankings

Table 1 ranks the remaining 74 counties in order of increasing population size.<sup>2</sup> The 2015 assessed value (2016 Fiscal Year) is also shown in the table along with assessed value per capita. Table 2 ranks these 74 counties in order of increasing assessed value. Each county's population and assessed value per capita 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 the smallest net assessed value (Table 2). On the other hand, Cimarron County has the smallest population, but is listed seventh in Table 2. One could surmise

from this 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 eighth smallest in population, but is ranked 33 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 greater challenge in providing minimal levels of county services. Tables 3 through 6 support these assertions.

## Stratification

Stratification of counties was performed in such a way 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 135,000. 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 \$1,300 million. 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 through 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

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

<sup>2</sup> U.S. Bureau of Census 2012 Estimates.

**Table 1. County Population and Net Assessed Value in Order of Ascending Population, Fiscal Year 2015**

#	County	Population	Assessed Value	Assessed Value Per Capita	#	County	Population	Assessed Value	Assessed Value Per Capita
1	Cimarron	2,216	58,932,638	26,594	38	Texas	21,489	240,186,318	11,177
2	Harmon	2,788	19,634,929	7,043	39	Adair	22,004	82,214,422	3,736
3	Roger Mills	3,788	199,168,227	52,579	40	Beckham	23,768	292,731,870	12,316
4	Harper	3,754	77,462,050	20,635	41	Seminole	25,548	168,234,111	6,585
5	Ellis	4,231	95,299,195	22,524	42	Jackson	25,574	139,815,028	5,467
6	Grant	4,523	177,910,875	39,335	43	Garvin	27,755	252,323,995	9,091
7	Dewey	4,995	219,185,346	43,881	44	Caddo	29,343	179,255,838	6,109
8	Beaver	5,427	148,290,643	27,325	45	Custer	29,744	242,326,376	8,147
9	Alfalfa	5,868	127,076,511	21,656	46	Ottawa	31,981	145,452,642	4,548
10	Coal	5,651	92,697,398	16,404	47	McCurtain	33,048	187,926,209	5,686
11	Cotton	5,996	38,504,807	6,422	48	Lincoln	35,042	373,272,578	10,652
12	Greer	6,070	27,837,038	4,586	49	McClain	38,066	263,271,524	6,916
13	Jefferson	6,276	37,840,938	6,029	50	Pontotoc	38,194	244,861,409	6,411
14	Tillman	7,515	46,138,461	6,140	51	Okmulgee	39,187	164,771,057	4,205
15	Major	7,771	108,059,855	13,906	52	Mayes	40,887	498,427,455	12,190
16	Woods	9,304	211,133,241	22,693	53	Sequoyah	41,153	174,380,834	4,237
17	Kiowa	9,144	77,460,138	8,471	54	Delaware	41,459	347,772,027	8,388
18	Love	9,870	101,350,974	10,269	55	Bryan	44,884	320,046,619	7,131
19	Blaine	9,833	110,376,701	11,225	56	Stephens	44,581	358,721,016	8,046
20	Nowata	10,539	54,874,875	5,207	57	Pittsburg	44,610	370,142,392	8,297
21	Latimer	10,483	59,487,061	5,675	58	Logan	45,996	325,899,528	7,085
22	Johnston	10,980	88,324,753	8,044	59	Kay	45,366	392,341,063	8,648
23	Pushmataha	11,183	46,549,315	4,163	60	Osage	47,887	345,724,660	7,220
24	Noble	11,554	176,422,265	15,269	61	Cherokee	48,447	186,488,286	3,849
25	Washita	11,661	126,602,452	10,857	62	Carter	48,689	413,488,036	8,492
26	Okfuskee	12,181	69,821,268	5,732	63	LeFlore	49,605	229,053,010	4,618
27	Haskell	12,845	53,502,923	4,165	64	Washington	52,021	334,731,010	6,435
28	Atoka	13,793	83,045,058	6,021	65	Grady	54,648	457,436,849	8,371
29	Murray	13,936	102,365,838	7,345	66	Garfield	63,569	576,528,320	9,069
30	Hughes	13,735	131,550,073	9,578	67	Muskogee	69,699	505,036,978	7,246
31	Craig	14,818	82,415,906	5,562	68	Creek	70,892	470,120,553	6,632
32	Choctaw	14,997	62,885,959	4,193	69	Pottawatomie	71,875	350,133,845	4,871
33	Kingfisher	15,584	185,608,868	11,910	70	Wagoner	76,559	484,011,970	6,322
34	Marshall	16,232	122,914,920	7,572	71	Payne	80,850	726,184,529	8,982
35	Pawnee	16,436	94,278,404	5,736	72	Rogers	90,802	830,178,665	9,143
36	McIntosh	19,990	111,727,595	5,589	73	Comanche	124,648	689,641,057	5,533
37	Woodward	21,559	291,845,673	13,537	74	Canadian	133,378	1,208,630,112	9,062

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.

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 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 available dollars. 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 Expenditures" does not equal "End of Year Cash Surplus." As expected, Table 3 shows that the larger the population of a county, the larger its county government is in terms of revenue and expenditures, generally speaking. Notice that the averages for "Counties\* 74" (all 74 counties) 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 \$925,948 for Group II to \$4,642,872 for Group IV.

It is perhaps curious to observe the average revenue of Group I is larger than that of Group II. Two factors help explain this relationship. Several of the Group I counties had relatively large amounts of oil and gas industry activity in FY 2015. This increases ad valorem taxes and sales taxes. Secondly, more

Table 2. County Population and Net Assessed Value in Order of Ascending Net Assessed Valuation, Fiscal Year 2015									
#	County	Population	Assessed Value	Assessed Value Per Capita	#	County	Population	Assessed Value	Assessed Value Per Capita
1	Harmon	2,788	19,634,929	7,043	38	Grant	4,523	177,910,875	39,335
2	Greer	6,070	27,837,038	4,586	39	Caddo	29,343	179,255,838	6,109
3	Jefferson	6,276	37,840,938	6,029	40	Kingfisher	15,584	185,608,868	11,910
4	Cotton	5,996	38,504,807	6,422	41	Cherokee	48,447	186,488,286	3,849
5	Tillman	7,515	46,138,461	6,140	42	McCurain	33,048	187,926,209	5,686
6	Pushmataha	11,183	46,549,315	4,163	43	Roger Mills	3,788	199,168,227	52,579
7	Haskell	12,845	53,502,923	4,165	44	Woods	9,304	211,133,241	22,693
8	Nowata	10,539	54,874,875	5,207	45	Dewey	4,995	219,185,346	43,881
9	Cimarron	2,216	58,932,638	26,594	46	LeFlore	49,605	229,053,010	4,618
10	Latimer	10,483	59,487,061	5,675	47	Texas	21,489	240,186,318	11,177
11	Choctaw	14,997	62,885,959	4,193	48	Custer	29,744	242,326,376	8,147
12	Okfuskee	12,181	69,821,268	5,732	49	Pontotoc	38,194	244,861,409	6,411
13	Kiowa	9,144	77,460,138	8,471	50	Garvin	27,755	252,323,995	9,091
14	Harper	3,754	77,462,050	20,635	51	McClain	38,066	263,271,524	6,916
15	Adair	22,004	82,214,422	3,736	52	Woodward	21,559	291,845,673	13,537
16	Craig	14,818	82,415,906	5,562	53	Beckham	23,768	292,731,870	12,316
17	Atoka	13,793	83,045,058	6,021	54	Bryan	44,884	320,046,619	7,131
18	Johnston	10,980	88,324,753	8,044	55	Logan	45,996	325,899,528	7,085
19	Coal	5,651	92,697,398	16,404	56	Washington	52,021	334,731,010	6,435
20	Pawnee	16,436	94,278,404	5,736	57	Osage	47,887	345,724,660	7,220
21	Ellis	4,231	95,299,195	22,524	58	Delaware	41,459	347,772,027	8,388
22	Love	9,870	101,350,974	10,269	59	Pottawatomie	71,875	350,133,845	4,871
23	Murray	13,936	102,365,838	7,345	60	Stephens	44,581	358,721,016	8,046
24	Major	7,771	108,059,855	13,906	61	Pittsburg	44,610	370,142,392	8,297
25	Blaine	9,833	110,376,701	11,225	62	Lincoln	35,042	373,272,578	10,652
26	McIntosh	19,990	111,727,595	5,589	63	Kay	45,366	392,341,063	8,648
27	Marshall	16,232	122,914,920	7,572	64	Carter	48,689	413,488,036	8,492
28	Washita	11,661	126,602,452	10,857	65	Grady	54,648	457,436,849	8,371
29	Alfalfa	5,868	127,076,511	21,656	66	Creek	70,892	470,120,553	6,632
30	Hughes	13,735	131,550,073	9,578	67	Wagoner	76,559	484,011,970	6,322
31	Jackson	25,574	139,815,028	5,467	68	Mayes	40,887	498,427,455	12,190
32	Ottawa	31,981	145,452,642	4,548	69	Muskogee	69,699	505,036,978	7,246
33	Beaver	5,427	148,290,643	27,325	70	Garfield	63,569	576,528,320	9,069
34	Okmulgee	39,187	164,771,057	4,205	71	Comanche	124,648	689,641,057	5,533
35	Seminole	25,548	168,234,111	6,585	72	Payne	80,850	726,184,529	8,982
36	Sequoyah	41,153	174,380,834	4,237	73	Rogers	90,802	830,178,665	9,143
37	Noble	11,554	176,422,265	15,269	74	Canadian	133,378	1,208,630,112	9,062

of the Group I counties choose to place their county sales tax collections in their county General Fund (as opposed to Cash Funds).

Before discussion of particular expenditure accounts, it is important for the reader to know that county governments in Oklahoma do not have a uniform set of accounts. Those listed in these tables are relatively uniform, yet differences exist. Example one: some counties pay all insurance and benefits out of their "General Government" account, while others set up a separate "Insurance and Benefits" account. Example two: some counties will have sales tax expenditure accounts in their General Fund and other counties will have sales tax expenditure funds in their "Cash Funds" (discussed later).

Therefore, for one county, in addition to the County Sheriff expenditures listed in Tables 3 and 4, there will be a Sales Tax Sheriff expenditure account that has been lumped into "Other Expenditures" in these tables. In another county, there will be a Sales Tax for Sheriff Cash Fund (included in Tables 9 and 10). State law allows each county to put sales tax into the General Fund or into a separate Cash Fund. Because this is allowed, direct comparison of one county to another is complicated and difficult. To make such comparisons, the reader should also examine publications with county by county detail such as "Abstract of County Government General, Highway, and Special Revenue Funds in Oklahoma, Fiscal Year 2014 - 2015" and "County Sales, Use and Lodging Tax

**Table 3. County General Fund Average Cash Balance, Revenues, and Total Expenditures, Average Overall and by Population Group, Fiscal Year 2015**

		Group I 0 - 10,000	Group II 10 - 20,000	Group III 20-45,000	Group IV* 45-135,000
Number of Counties	Counties* 74	19	17	21	17
Item	(Dollars)				
General Fund					
Beginning Cash Balance	2,043,085	2,689,274	1,523,846	1,457,650	2,563,297
Revenues:					
Ad Valorem	2,169,676	957,765	925,948	2,270,883	4,642,872
County Clerk Fees	155,014	66,583	79,837	162,052	320,333
Motor Vehicle Fees	47,801	10,216	35,771	56,339	91,291
Interest on Investments	27,961	28,583	17,482	23,129	43,712
Sales Tax Receipts	582,409	620,845	537,009	225,792	1,025,378
Other Revenue	894,545	574,153	592,996	1,003,087	1,420,097
Total Revenue	3,877,406	2,258,146	2,189,043	3,741,282	7,543,683
Total Revenues and Cash Balance	5,920,491	4,947,419	3,712,889	5,198,933	10,106,981
Expenditures:					
District Attorney	13,910	6,189	10,394	13,806	52,006
County Sheriff	723,662	483,652	399,378	574,402	1,534,359
County Treasurer	155,369	116,879	107,771	173,755	223,273
County Commissioners	133,100	196,969	102,034	150,907	252,536
OK Coop. Extension	48,827	26,186	34,658	75,017	122,846
County Clerk	242,351	150,023	158,991	246,918	432,614
Court Clerk	210,344	115,560	116,490	197,581	425,898
County Assessor	160,338	102,882	94,112	155,647	296,575
Reval./Visual Insp.	248,301	101,020	150,756	253,617	503,886
General Government	644,973	310,585	675,827	659,312	1,009,888
Excise/Equal.	4,170	3,176	4,401	3,445	5,946
County Election	94,683	62,889	62,700	94,380	162,574
Insurance & Benefits	336,049	384,687	227,301	163,174	603,990
Other Expenditures	600,236	142,175	507,456	304,769	1,614,172
Total Expenditures	3,616,313	2,202,873	2,652,269	3,066,730	7,240,562
End of Year Cash Surplus	2,274,740	2,971,913	1,335,519	1,877,563	2,925,395
Average Population	30,010	6,054	13,585	33,327	69,114

\*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 2015**

		Group I 0 - 10,000 19	Group II 10 - 20,000 17	Group III 20-45,000 21	Group IV* 45-135,000 17
Number of Counties	Counties* 74				
Item	(Dollars)				
General Fund					
Beginning Cash Surplus	68.08	444.24	112.17	43.74	37.09
Revenues:					
Ad Valorem	72.30	158.21	68.16	68.14	67.18
County Clerk Fees	5.17	11.00	5.88	4.86	4.63
Motor Vehicle Fees	1.59	1.69	2.63	1.69	1.32
Interest on Investments	0.93	4.72	1.29	0.69	0.63
Sales Tax Receipts	19.41	102.56	39.53	6.77	14.84
Other Revenue	29.81	94.84	43.65	30.10	20.55
Total Revenue	129.20	373.02	161.14	112.26	109.15
Total Revenues and Cash Balance					
	197.28	817.26	273.31	156.00	146.24
Expenditures:					
District Attorney	0.46	1.02	0.77	0.41	0.75
County Sheriff	24.11	79.89	29.40	17.24	22.20
County Treasurer	5.18	19.31	7.93	5.21	3.23
County Commissioners	4.44	32.54	7.51	4.53	3.65
OK Coop. Extension	1.63	4.33	2.55	2.25	1.78
County Clerk	8.08	24.78	11.70	7.41	6.26
Court Clerk	7.01	19.09	8.57	5.93	6.16
County Assessor	5.34	16.99	6.93	4.67	4.29
Reval./Visual Insp.	8.27	16.69	11.10	7.61	7.29
General Government	21.49	51.31	49.75	19.78	14.61
Excise/Equal.	0.14	0.52	0.32	0.10	0.09
County Election	3.15	10.39	4.62	2.83	2.35
Insurance & Benefits	11.20	63.55	16.73	4.90	8.74
Other Expenditures	20.00	23.49	37.35	9.14	23.36
Total Expenditures	120.50	363.89	195.23	92.02	104.76
End of Year Cash Surplus					
	75.80	490.93	98.31	56.34	42.33
Average Population					
	30,010	6,054	13,585	33,327	69,114

\*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 2015**

	Group I 0 - 60 millions 10	Group II 60 - 110 millions 14	Group III 110 - 175 millions 12	Group IV 175 - 300 millions 17	Group V* 300-1,300 millions 21
Number of Counties	10	14	12	17	21
Item	<i>(Dollars)</i>				
<b>General Fund</b>					
Beginning Cash Surplus	333,288	1,593,894	1,961,313	3,142,804	2,313,213
<b>Revenues:</b>					
Ad Valorem	433,257	805,350	1,354,916	1,999,947	4,509,070
County Clerk Fees	34,912	65,229	111,193	144,220	305,842
Motor Vehicle Fees	11,933	31,091	37,401	35,818	91,666
Interest on Investments	13,483	14,900	26,355	35,226	38,597
Sales Tax Receipts	362,853	483,364	472,123	447,879	924,915
Other Revenue	238,707	567,728	764,580	792,919	1,581,261
Total Revenue	1,095,146	1,967,662	2,766,569	3,456,009	7,451,350
<b>Total Revenues and Cash Balance</b>	1,428,434	3,561,556	4,727,881	6,598,813	9,764,564
<b>Expenditures:</b>					
District Attorney	3,912	10,461	5,143	11,851	44,788
County Sheriff	180,616	424,449	560,376	621,178	1,384,684
County Treasurer	75,068	104,811	135,873	180,159	218,386
County Commissioners	9,653	103,266	171,381	167,013	228,871
OK Coop. Extension	18,532	26,275	42,836	75,359	119,467
County Clerk	90,462	155,066	204,656	245,067	399,597
Court Clerk	68,457	106,761	180,822	203,526	369,353
County Assessor	67,970	85,862	121,005	160,866	276,023
Reval./Visual Insp.	94,097	149,849	188,240	189,721	469,108
General Government	138,536	244,034	936,967	552,708	1,072,883
Excise/Equal.	3,740	3,301	3,506	4,365	5,176
County Election	48,204	63,404	88,004	87,621	147,202
Insurance and Benefits	139,331	141,468	572,561	256,190	488,944
Other Expenditures	194,974	344,021	414,897	245,561	1,446,932
<b>Total Expenditures</b>	1,133,552	1,963,026	3,626,266	3,001,184	6,671,413
<b>End of Year Cash Surplus</b>	336,028	1,831,816	1,405,321	3,506,532	2,992,863
<b>Population</b>	7,591	11,398	20,516	24,163	63,254

\*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 2015**

	Group I 0 - 60 millions	Group II 60 - 110 millions	Group III 110 - 175 millions	Group IV 175 - 300 millions	Group V* 300-1,300 millions
Number of Counties	10	14	12	17	21
Item	<i>(Dollars)</i>				
<b>General Fund</b>					
Beginning Cash Surplus	43.91	139.85	95.60	130.07	36.57
<b>Revenues:</b>					
Ad Valorem	57.07	70.66	66.04	82.77	71.28
County Clerk Fees	4.60	5.72	5.42	5.97	4.84
Motor Vehicle Fees	1.57	2.73	1.82	1.48	1.45
Interest on Investments	1.78	1.31	1.28	1.46	0.61
Sales Tax Receipts	47.80	42.41	23.01	18.54	14.62
Other Revenue	31.45	49.81	37.27	32.82	25.00
<b>Total Revenue</b>	<b>144.27</b>	<b>172.64</b>	<b>134.85</b>	<b>143.03</b>	<b>117.80</b>
<b>Total Revenues and Cash Balance</b>	<b>188.17</b>	<b>312.48</b>	<b>230.45</b>	<b>273.10</b>	<b>154.37</b>
<b>Expenditures:</b>					
District Attorney	0.52	0.92	0.25	0.49	0.71
County Sheriff	23.79	37.24	27.31	25.71	21.89
County Treasurer	9.89	9.20	6.62	7.46	3.45
County Commissioners	1.27	9.06	8.35	6.91	3.62
OK Coop. Extension	2.44	2.31	2.09	3.12	1.89
County Clerk	11.92	13.61	9.98	10.14	6.32
Court Clerk	9.02	9.37	8.81	8.42	5.84
County Assessor	8.95	7.53	5.90	6.66	4.36
Reval./Visual Insp.	12.40	13.15	9.18	7.85	7.42
General Government	18.25	21.41	45.67	22.87	16.96
Excise/Equal.	0.49	0.29	0.17	0.18	0.08
County Election	6.35	5.56	4.29	3.63	2.33
Insurance and Benefits	18.35	12.41	27.91	10.60	7.73
Other Expenditures	25.68	30.18	20.22	10.16	22.87
<b>Total Expenditures</b>	<b>149.33</b>	<b>172.23</b>	<b>176.76</b>	<b>124.21</b>	<b>105.47</b>
<b>End of Year Cash Surplus</b>	<b>44.27</b>	<b>160.72</b>	<b>68.50</b>	<b>145.12</b>	<b>47.31</b>
<b>Population</b>	<b>7,591</b>	<b>11,398</b>	<b>20,516</b>	<b>24,163</b>	<b>63,254</b>

\*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 2015**

		Group I 0 - 10,000	Group II 10 - 20,000	Group III 20-45,000	Group IV* 45-135,000
Number of Counties	Counties* 74	19	17	21	17
Item	(Dollars)				
Highway Fund					
Adjusted Cash Balance	2,375,431	3,097,053	1,331,532	2,399,942	2,354,272
Revenues:					
Gross Production Tax	959,830	917,485	459,730	1,075,476	1,226,118
Diesel Excise Tax	384,035	316,423	294,237	413,755	513,078
Gasoline Excise Tax	1,079,578	942,664	813,469	1,161,922	1,389,683
Special Fuel Tax	96	82	73	104	126
Motor Vehicle Tax	969,051	862,908	717,219	1,033,123	1,251,972
Cash Fund Balance Forward	87,774	42,782	108,160	81,724	113,373
Other Revenue	1,017,644	1,415,503	601,039	715,412	1,322,269
Total Revenue	4,498,008	4,497,846	2,993,927	4,481,515	5,816,617
Total Revenues and Cash Balance	6,873,439	7,594,899	4,325,459	6,881,457	8,170,890
Total Expenditures	4,403,267	4,623,885	2,864,082	4,439,287	5,421,966
End of Year Cash Surplus	2,470,172	2,971,014	1,461,378	2,442,170	2,748,923
Average Population	30,010	6,054	13,585	33,327	69,114

\*All Oklahoma Counties except Oklahoma, Tulsa, and Cleveland

Summary Report, FY 2015." The authors are Lansford and Schieffer. These publications are available at [www.agecon.okstate.edu/ctp](http://www.agecon.okstate.edu/ctp) under the "Related Publications" link.

For more discussion of Table 3, expenditure patterns are quite consistent across population groups. For example, county sheriff expenditures are consistently about 20 percent of expenditures for the groups, with the exception of Group II, where it drops to 15 percent. General government plus Insurance and Benefits compose 27 percent of expenditures (on average), varying from 22 percent in Group IV to 34 percent in Group II. Reval/Visual Inspection is another relatively large account composing 7 percent on average and varying from 5 to 8 percent across the Groups. Together, Sheriff, General Government, Insurance & Benefits, plus Visual Inspection are more than half (54 percent) of General Government 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 \$158.21 in ad valorem taxes is paid by each person in counties with less than 10,000 people, versus an average \$72.30 for all counties.

An average \$102.56 per person in county sales taxes are collected in Group I counties versus \$19.41 per capita for all counties. Total revenue (largely taxes) per person in Group I (\$373.02) is triple the aggregate average (\$129.20). The same is true of total expenditures. These numbers suggest that either small counties collect and spend too much on county government or that 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 among. Most likely, the latter explanation more truly describes the situation.

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, that is, the same building, piece of office equipment, computer, and such can be used to serve more people. Another way of saying this is that a resource (such as a computer) is more fully utilized. Economies of size are exhibited because the amount of additional resources necessary for each additional person is smaller. For example, one sheriff patrol car costing \$35,000 might serve the needs of a 6,000 person county, or the same car with just a little more maintenance might serve the needs of an 8,000 person county. Thus, the cost for the additional 2,000 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 2015**

		Group I 0 - 10,000	Group II 10 - 20,000	Group III 20-45,000	Group IV* 45-135,000
Number of Counties	Counties* 74	19	17	21	17
<i>Item</i>		<i>(Dollars)</i>			
<b>Highway Fund</b>					
Adjusted Cash Balance	2,150.98	2,614.88	1,609.10	2,021.28	1,979.70
<b>Revenues:</b>					
Gross Production Tax	869.14	774.64	555.56	905.79	1,031.04
Diesel Excise Tax	347.75	267.16	355.57	348.47	431.45
Gasoline Excise Tax	977.57	795.90	983.04	978.59	1,168.58
Special Fuel Tax	0.09	0.07	0.09	0.09	0.11
Motor Vehicle Tax	877.49	728.56	866.73	870.12	1,052.78
Cash Fund Balance Forward	79.48	36.12	130.71	68.83	95.33
Other Revenue	921.49	1,195.13	726.33	602.53	1,111.89
Total Revenue	4,073.01	3,797.59	3,618.04	3,774.43	4,891.17
<b>Total Revenues and Cash Balance</b>	6,223.99	6,412.47	5,227.14	5,795.71	6,870.87
<b>Total Expenditures</b>	3,987.22	3,904.01	3,461.12	3,738.86	4,559.31
<b>End of Year Cash Surplus</b>	2,236.77	2,508.47	1,766.01	2,056.85	2,311.56
<b>Average Road Miles</b>	1,104	1,184	828	1,187	1,189

\*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, Group II has one of the largest amounts of sales taxes. One may surmise that either sales tax rates are relatively large in these counties or that other counties place sales taxes in "cash funds" rather than in the General Fund. 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, in FY 2013 the average Group 1 county sales tax rate was 1.73 percent, while the average Group 4 sales tax was 0.99 percent.

Looking at expenditures, notice Group III General Government. This large amount, relative to the others, is an anomaly. Washita County made renovations to the courthouse, costing several million dollars. This one-time, extraordinary expenditure helped make the average of \$936,967 to be unusually large in comparison to the other groups. Similarly, Alfalfa County (also in Group III) had an unusually large expenditure in the "Insurance and Benefits" account line. Excluding Alfalfa County from the average reduces the average from \$572,561

to \$345,291. In all other line items, Washita and Alfalfa County expenditures are similar to the Group III averages. Therefore, elimination of these two counties extraordinary "General Government" and "Insurance and Benefits" expenditures results in average expenditure in line with what would be expected in the size category. Without Alfalfa and Washita Counties, the total expenditures for Group III would be about \$2,900,000 rather than \$3,626,266 as shown in Table 5.

Table 6 shows per capita revenues and expenditures by assessed value group. There is great variation from group to group. Generally, Group II is in sharp contrast to the other groups in per capita revenue. Similarly, Group III shows sharp contrast in terms of expenditure. The comparatively large expenditure per capita of Group III can largely be explained by the expenditures in Alfalfa and Washita counties, discussed above. The relatively large revenue and expenditure average of Group II, especially as contrasted with Group I, may be harder to explain.

Looking again at Table 2 may help explain the revenue (and expenditure) contrast. The first 10 counties listed in Table 2 are the Group I counties. The next 14 are the Group II counties. Generally, Group I counties are relatively small in both valuation and population. By definition, Group II is larger, but looking at the "Assessed Value per Capita" column

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

		Group I	Group II	Group III	Group IV*
		0 - 10,000	10 - 20,000	20-45,000	45-130,000
Number of Counties	Counties* 74	19	16	22	17
Item	(Dollars)				
<b>Cash Revenues:**</b>					
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
<b>Total Revenue:</b>	1,059,756	577,938	647,381	1,128,409	1,899,621
<b>Cash Expenditures:**</b>					
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
<b>Total Expenditures:</b>	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
Item		(Dollars)			
<b>Cash Revenues:**</b>					
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
<b>Total Revenues:</b>	35.75	95.51	49.06	34.25	27.99
<b>Cash Expenditures:**</b>					
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
<b>Total Expenditures:</b>	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.

helps show the difference. Group II has substantially more taxable value per capita. The Group I average assessed value per capita is \$7,602 whereas, Group II is \$9,898. Next, look at the Group III counties in Table 2 (25th through 36th) and note the similarity of assessed value per capita between this group and Group II. The Group III average is \$9,904.

Generally speaking, expenditures per capita decline from Group II to Group V. Focusing on the Sheriff account, expenditures decline from \$37.24 to \$21.89 per capita. Several other accounts have a similar decline from smaller to larger

counties. This may indicate the economies of size mentioned earlier. If General Government and Insurance & Benefits (which is appropriate) is added and the extraordinary Alfalfa and Washita County amounts is left out, \$36.60, \$33.81, \$34.37, \$33.47 and \$24.69, respectively from Group I through Group V is found. In summary, a fairly level expenditure per capita for Groups I through IV, then a smaller amount for Group V is found.

Finally, please note the change in "Cash Surplus" from beginning to end of year. Cash Surplus may better be labeled Cash Fund Balance. It is simply the amount of unencumbered

money at a point in time. The change in cash balance is found by taking beginning cash, adding revenues, then subtracting expenditures. The remainder is the ending cash balance. Average cash balances of each group tend to stay around the same level over time. This is expected.

## 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 two observations are made from the information in these tables. First, Group II seems to be at a relative disadvantage compared to the other three groups. Both the beginning cash balance and the revenues are lower in Group II. The major recurring revenue sources – gross production, diesel, gasoline and motor vehicle license and registration taxes are all smallest (on average) in Group II. Smaller population (Group I) counties such as Alfalfa, Beaver, Blaine, Dewey, Ellis and Roger Mills have relatively large oil and gas production. This boosts the average gross production tax revenue among the Group 1 counties. Second, Group II has (on average) only 70 percent as many county road miles as Groups I, III and IV (Table 8). The number of road miles is a major factor in the allocation of diesel, gasoline and motor vehicle taxes. Population is another major factor, hence Groups III and IV get relatively larger shares of these taxes for this reason as well.

The size of Group 1 “Other Revenue” is also noteworthy. Some counties place CBRI (County Bridge and Road Improvement) Fund money in the “Highway Fund” and others place them in a separate “Cash Fund.” It is possible that more of the Group I counties place these CBRI funds in their Highway Fund relative to the other size groups. (Grants and FEMA funding can also be factors.)

Table 8 indicates that total revenue per certified mile of county road varies from \$3,618 in Group II to \$4,891 in Group IV. The average is \$4,073. Expenditures tend to follow reve-

nues, varying from \$3,461 in Group II to \$4,559 in Group IV. Ending cash balance per mile does not change appreciably from beginning to end of year.

## 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 \$670,899 in Group I to \$1,865,397 in Group IV, and total expenditures range from \$693,668 in Group I to \$1,764,112 in Group IV. The only fund that does not follow correspondence to population is the Sheriff Department of Corrections Fund. This is compensation paid to counties for state inmates kept in county jails. Group I revenues are larger than Group II or III. Interestingly, expenditures from this fund are largest in Group III.

Table 10 represents per capita group averages of revenues and expenditures by fund. This shows an inverse relationship to population. Group I has the largest total revenue and expenditures at \$110.82 and \$114.59 per capita, respectively, and Group IV has the lowest at \$26.99 and \$25.52, respectively. Sheriff Department of Corrections and Sheriff Service Fee are the dominant Cash Funds.

## 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 and expend significantly larger amounts per capita to finance county General Fund and Cash Fund activities. Larger counties seem to benefit from economies of size in the provision of county government services. Counties depend most heavily on ad valorem (property) and sales taxes. Citizens vote on local sales taxes, so it is assumed that they are willing to pay the price to maintain a certain set of county government services. Highway funding depends on formulas for allocation of state taxes and amounts per mile of road are similar across size groups.

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