



Comparison of County Government Finances Among Different Size Counties

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County officers annually 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 that is 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 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 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 and Oklahoma 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 seventy-five counties. Because of the great difference that exists, this report excludes Tulsa and Oklahoma Counties.

County Rankings

Table 1 ranks the remaining seventy-five counties in order of increasing population size. The 1997 as-

essed value (1998 Fiscal Year) is also shown in the table. Table 2 ranks these seventy-five 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 twelfth 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 in population, but is ranked thirty-ninth in assessed value. Generally speaking, the greater the tax base (assessed value) per capita, 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, especially 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 3-8 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 9,000; (2) Group II – populations of 9,000 to 15,000; (3) Group III – populations of 15,000 to 40,000; and, (4) Group IV – populations of 40,000 to 200,000. For assessed value, five groups were selected; (1) Group I – assessed

¹ "Abstract of the General Fund for Counties in Oklahoma" and "Oklahoma Ad Valorem Mill Levies."

Table 1. 1998 Fiscal Year County Population and Net Assessed Value in Order of Ascending Population

#	County	1997 Pop.	Jan. 1, 1997 Assessed Value	Assessed Value Per Capita	#	County	1997 Pop.	Jan. 1, 1997 Assessed Value	Assessed Value per Capita
1	Cimarron	3,082	33,057,878	10,726	39	McIntosh	18,798	53,317,709	2,836
2	Harmon	3,473	16,178,209	4,658	40	Adair	20,112	52,503,137	2,611
3	Roger Mills	3,602	42,086,845	11,684	41	Seminole	25,018	85,439,195	3,415
4	Harper	3,620	40,118,206	11,082	42	Custer	25,788	110,660,953	4,291
5	Ellis	4,223	33,683,006	7,976	43	McClain	25,816	75,663,153	2,931
6	Dewey	5,038	34,922,692	6,932	44	Garvin	27,016	90,223,916	3,340
7	Grant	5,399	63,697,321	11,798	45	Jackson	28,712	91,716,168	3,194
8	Beaver	5,981	80,971,283	13,538	46	Ottawa	30,581	72,670,778	2,376
9	Alfalfa	6,056	44,326,921	7,320	47	Logan	30,607	104,538,373	3,416
10	Coal	6,058	28,518,491	4,708	48	Caddo	30,931	101,394,718	3,278
11	Greer	6,377	22,394,038	3,512	49	Lincoln	31,083	89,089,241	2,866
12	Jefferson	6,669	25,566,458	3,834	50	Delaware	33,879	136,488,464	4,029
13	Cotton	6,691	23,652,608	3,535	51	Bryan	34,183	88,525,164	2,590
14	Major	7,772	48,353,657	6,222	52	McCurain	34,435	111,706,610	3,244
15	Woods	8,251	57,351,387	6,951	53	Pontotoc	34,809	102,054,292	2,932
16	Love	8,596	25,280,603	2,941	54	Sequoyah	36,882	87,227,368	2,365
17	Tillman	9,656	34,344,202	3,557	55	Mayes	37,074	120,420,727	3,248
18	Nowata	9,902	29,815,662	3,011	56	Okmulgee	38,193	90,231,745	2,363
19	Johnston	10,270	33,698,111	3,281	57	Cherokee	38,295	76,942,263	2,009
20	Latimer	10,285	41,620,791	4,047	58	Osage	42,514	133,006,066	3,129
21	Blaine	10,590	53,519,371	5,054	59	Pittsburg	43,196	125,210,335	2,899
22	Kiowa	10,827	42,374,155	3,914	60	Stephens	43,605	123,997,203	2,842
23	Noble	11,246	103,856,349	9,235	61	Carter	44,120	186,243,138	4,221
24	Okfuskee	11,269	36,325,942	3,224	62	Grady	45,403	151,270,634	3,332
25	Haskell	11,388	29,799,077	2,617	63	Le Flore	46,486	145,614,991	3,132
26	Pushmataha	11,506	26,927,851	2,340	64	Kay	46,837	215,902,594	4,610
27	Washita	11,686	50,563,721	4,327	65	Washington	47,406	183,023,287	3,861
28	Marshall	12,045	39,755,068	3,301	66	Wagoner	54,203	151,997,465	2,804
29	Murray	12,367	31,117,177	2,516	67	Garfield	56,699	223,602,672	3,944
30	Hughes	13,101	52,637,971	4,018	68	Pottawatomie	61,859	173,378,550	2,803
31	Atoka	13,335	34,870,561	2,615	69	Payne	64,272	201,667,397	3,138
32	Kingfisher	13,480	82,392,637	6,112	70	Rogers	65,654	316,636,199	4,823
33	Craig	14,442	52,527,042	3,637	71	Creek	66,129	209,042,585	3,161
34	Choctaw	15,256	32,136,634	2,106	72	Muskogee	69,375	301,487,636	4,346
35	Pawnee	16,207	49,405,750	3,048	73	Canadian	84,670	332,635,244	3,929
36	Texas	18,081	137,182,619	7,587	74	Comanche	113,957	336,011,966	2,949
37	Beckham	18,555	77,577,105	4,181	75	Cleveland	197,164	624,237,994	3,166
38	Woodward	18,664	83,465,307	4,472					

values of up to \$35 million; (2) Group II - \$35 to \$70 million; (3) Group III - assessed values \$70 to \$105 million; (4) Group IV - \$105 to \$170 million; and, (5) Group V- \$170 million to \$700 million. Tables 3-8 show the average amounts of several revenue and expenditure categories for the seventy-five counties altogether and for each stratification grouping. Tables 3-5 contain the averages for all counties and for each of the population groups. Tables 6-8 contain the averages for each of the assessed value groups. Tables 3 and 6 provide category averages of total funding and expenditures for each group, while Tables 5 and 8 provide per capita averages.

Population

Average cash surplus (carry-over), revenue streams, and expenditures for all 75 counties and for each of the four populations groups are shown in Table 3. Cash surplus plus total revenue equals the total dollars available for financing county general fund activities. Twelve specific expenditure activities are listed to show how funds were used. "Other Expenditures" includes all other expenditure accounts outside the twelve specifically listed. This includes accounts such

as: "Charity," "Co. Audit," "Free Fair," "Civil Defense," "Co. Cemetery," "Food Stamps," and many others. End of Year Cash Surplus and population averages are also included in the table. Notice that the average population of each group is about one-half of the next larger group.

Table 4 shows each category of available funds and each expenditure as a percent of the respective totals in Table 3. That is, the contribution of each revenue source is shown as a percent of total funds for financing. Likewise, each expenditure account is shown as a percentage of total expenditures.

It is important to note that "Total Revenue" and "Total Funds for Financing" 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 Funds for Financing" minus "Total Expenditures" do 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" (all seventy-five counties) are most simi-

Table 2. 1998 Fiscal Year County Population and Net Assessed Value in Order of Ascending Assessed Valuation.

#	County	1997 Pop.	Jan. 1, 1997 Assessed Value	Assessed Value Per Capita	#	County	1997 Pop.	Jan. 1, 1997 Assessed Value	Assessed Value per Capita
1	Harmon	3,473	16,178,209	4,658	39	Beaver	5,981	80,971,283	13,538
2	Greer	6,377	22,394,038	3,512	40	Kingfisher	13,480	82,392,637	6,112
3	Cotton	6,691	23,652,608	3,535	41	Woodward	18,664	83,465,307	4,472
4	Love	8,596	25,280,603	2,941	42	Seminole	25,018	85,439,195	3,415
5	Jefferson	6,669	25,566,458	3,834	43	Sequoyah	36,882	87,227,368	2,365
6	Pushmataha	11,506	26,927,851	2,340	44	Bryan	34,183	88,525,164	2,590
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8	Haskell	11,388	29,799,077	2,617	46	Garvin	27,016	90,223,916	3,340
9	Nowata	9,902	29,815,662	3,011	47	Okmulgee	38,193	90,231,745	2,363
10	Murray	12,367	31,117,177	2,516	48	Jackson	28,712	91,716,168	3,194
11	Choctaw	15,256	32,136,634	2,106	49	Caddo	30,931	101,394,718	3,278
12	Cimarron	3,082	33,057,878	10,726	50	Pontotoc	34,809	102,054,292	2,932
13	Ellis	4,223	33,683,006	7,976	51	Noble	11,246	103,856,349	9,235
14	Johnston	10,270	33,698,111	3,281	52	Logan	30,607	104,538,373	3,416
15	Tillman	9,656	34,344,202	3,557	53	Custer	25,788	110,660,953	4,291
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17	Dewey	5,038	34,922,692	6,932	55	Mayes	37,074	120,420,727	3,248
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21	Latimer	10,285	41,620,791	4,047	59	Delaware	33,879	136,488,464	4,029
22	Roger Mills	3,602	42,086,845	11,684	60	Texas	18,081	137,182,619	7,587
23	Kiowa	10,827	42,374,155	3,914	61	Le Flore	46,486	145,614,991	3,132
24	Alfalfa	6,056	44,326,921	7,320	62	Grady	45,403	151,270,634	3,332
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26	Pawnee	16,207	49,405,750	3,048	64	Pottawatomie	61,859	173,378,550	2,803
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28	Adair	20,112	52,503,137	2,611	66	Carter	44,120	186,243,138	4,221
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30	Hughes	13,101	52,637,971	4,018	68	Creek	66,129	209,042,585	3,161
31	McIntosh	18,798	53,317,709	2,836	69	Kay	46,837	215,902,594	4,610
32	Blaine	10,590	53,519,371	5,054	70	Garfield	56,699	223,602,672	3,944
33	Woods	8,251	57,351,387	6,951	71	Muskogee	69,375	301,487,636	4,346
34	Grant	5,399	63,697,321	11,798	72	Rogers	65,654	316,636,199	4,823
35	Ottawa	30,581	72,670,778	2,376	73	Canadian	84,670	332,635,244	3,929
36	McClain	25,816	75,663,153	2,931	74	Comanche	113,957	336,011,966	2,949
37	Cherokee	38,295	76,942,263	2,009	75	Cleveland	197,164	624,237,994	3,166
38	Beckham	18,555	77,577,105	4,181					

lar to the averages in the 15,000 to 40,000 population group. For all groups, ad valorem revenues are clearly the greatest source of financing, varying from 30.48% of total funds for Group III to 43.87% of total funds for Group IV.

Expenditure patterns are quite consistent across population groups. For example, county sheriff expenditures are consistently about 20% of expenditures for all four groups (Table 4). General government (including maintenance and operation, insurance and employee benefits, and workers compensation) varies between 21.42% and 29.39% of expenditures. County clerk expenditures average 7.88%. 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 5. Revenues and expenditures per person

are much larger in the smaller counties, especially Group I. Contrast the revenues per person in all counties ("Counties") with revenues per person in Group I. An average \$63.02 in ad valorem taxes is paid by each person in counties with less than 9,000 people, versus an average \$33.01 for all counties. An average \$36.38 per person in county sales taxes are collected in Group I counties versus \$19.12 per capita for all counties. Total revenue (largely taxes) per person in Group I (\$143.19) is more than double the aggregate average (\$70.28). The same is also 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.

Two observations in the data provide particularly strong support for this explanation. First, 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

2 Twenty-five of the 33 counties with less than 15,000 people have a sales tax in effect. Twenty-four of the 42 larger population counties have a sales tax.

taxes until they are truly needed. The relatively large sales tax receipts shown (Table 5) for Groups I and II indicate that more small counties have adopted a sales tax.² Secondly, expenditures of general fund dollars in the "County Commissioners" account is generally zero or quite small in counties facing financial stress. "County Commissioner" account expenditures per capita in Group I is only \$.70, whereas in Groups III and IV it is \$1.85 and \$1.59, respectively. In summary, counties with less than 9,000 people spend more than \$130 per person on county government services financed out of the county general fund and the larger counties (Groups III and IV) spend less than \$60 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, 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. Or, economies of size could be 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 9,000 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 6,000 people is much smaller per person.

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 6). Table 7 shows the percentages associated with the numerical amounts in Table 6. Interestingly, the smallest group (Group I) has one of the largest percentages of sales taxes and the smallest percentage of ad valorem revenues as regards total funds for financing. One may surmise that sales taxes are relatively large because property taxes are inadequate to support county services in many of these counties.

Table 7 also shows that Groups I and II spend a smaller proportion of their budget on county commissioner budgets. County commissioners may pay their salaries from the county road cash fund, so in many poorer counties they choose to do so in order to free general fund dollars for other pressing needs.

Per capita spending by assessed value group tells much the same story as told by Tables 6 and 7. Ad valorem taxes per capita are fairly similar among the groups, as are county clerk fees and motor vehicle fees

Table 3. County General Fund Average Cash Balance, Revenue, and Expenditures, Statewide and by Population Group.

<i>Fiscal Year 1997</i>	<i>Counties*</i>	<i>Group I 0-9,000</i>	<i>Group II 9-15,000</i>	<i>Group III 15-40,000</i>	<i>Group IV 40-200,000</i>
<i>Number of Counties</i>	75	16	17	24	18
<i>Item</i>	<i>(Dollars)</i>				
Beginning Cash Surplus	\$467,536	\$279,125	\$365,747	\$472,122	\$725,032
Revenues:					
Ad Valorem	946,774	357,964	428,865	817,492	2,131,671
County Clerk Rev	120,498	42,696	59,487	119,844	248,150
Motor Vehicle	35,340	6,188	15,316	37,319	77,528
Interest on Investment	101,631	77,142	69,821	86,254	173,943
Sales Tax	548,275	206,682	308,961	607,572	998,871
Other Revenues	262,875	122,724	158,708	249,713	503,383
Total Revenues	2,015,393	813,396	1,041,158	1,918,193	4,133,545
Total Funds For Financing	\$2,482,929	\$1,092,521	\$1,406,905	\$2,390,315	\$4,858,577
Expenditures:**					
District Attorney	16,798	4,007	6,756	13,383	42,204
County Sheriff	349,831	156,322	219,097	335,522	664,387
County Treasurer	89,428	54,008	59,559	88,655	150,152
County Commissioner	45,400	3,952	12,340	51,455	105,393
OK Coop. Extension	44,399	20,952	34,530	40,989	79,107
County Clerk	141,582	72,747	85,784	131,186	269,328
Court Clerk	95,866	45,779	51,612	87,860	192,857
County Assessor	83,213	47,171	52,292	74,354	156,265
Rural./Visual Inspec.	111,604	29,702	67,356	123,455	210,394
General Government	443,327	214,446	283,950	418,425	830,503
Excise/Equal	4,080	2,812	3,812	4,295	5,175
County Elections	55,125	29,872	33,165	53,527	100,442
Other Expenditures	315,559	61,196	55,825	102,897	1,070,512
Total Expenditures	1,796,211	742,965	966,077	1,526,004	3,876,719
End of Year Cash Surplus	\$518,408	\$334,886	\$374,165	\$527,586	\$805,531
Avg. Population	28,677	5,681	11,611	27,874	66,308

Table 4. County General Fund Average Sources of Financing and Expenditures Accounts as Percentage of Respective Totals.

<i>Fiscal Year 1997</i>	<i>Counties*</i>	<i>Group I 0-9000</i>	<i>Group II 9-15,000</i>	<i>Group III 15-40,000</i>	<i>Group IV 40-200,000</i>
<i>Number of Counties</i>	75	16	17	24	18
<i>Item</i>	<i>(Dollars)</i>				
Beginning Cash Surplus	18.83%	25.55%	26.00%	19.75%	14.92%
Revenues:					
Ad Valorem	38.13%	32.76%	30.48%	34.20%	43.87%
County Clerk Rev	4.85%	3.91%	4.23%	5.01%	5.11%
Motor Vehicle	1.42%	0.57%	1.09%	1.56%	1.60%
Interest on Investment	4.09%	7.06%	4.96%	3.61%	3.58%
Sales Tax	22.08%	18.92%	21.96%	25.42%	20.56%
Other Revenues	10.59%	11.23%	11.28%	10.45%	10.36%
Total Revenues	81.17%	74.45%	74.00%	80.25%	85.08%
Total Funds For Financing	100.00%	100.00%	100.00%	100.00%	100.00%
Expenditures:**					
District Attorney	0.94%	0.54%	0.70%	0.88%	1.09%
County Sheriff	19.48%	21.04%	22.68%	21.99%	17.14%
County Treasurer	4.98%	7.27%	6.16%	5.81%	3.87%
County Commissioner	2.53%	0.53%	1.28%	3.37%	2.72%
OK Coop. Extension	2.47%	2.82%	3.57%	2.69%	2.04%
County Clerk	7.88%	9.79%	8.88%	8.60%	6.95%
Court Clerk	5.34%	6.16%	5.34%	5.76%	4.97%
County Assessor	4.63%	6.35%	5.41%	4.87%	4.03%
Rural./Visual Inspec.	6.21%	4.00%	6.97%	8.09%	5.43%
General Government	24.68%	28.86%	29.39%	27.42%	21.42%
Excise/Equal	0.23%	0.38%	0.39%	0.28%	0.13%
County Elections	3.07%	4.02%	3.43%	3.51%	2.59%
Other Expenditures	17.57%	8.24%	5.78%	6.74%	27.61%
Total Expenditures	100.00%	100.00%	100.00%	100.00%	100.00%

* All Oklahoma Counties except Tulsa and Oklahoma.

**Expenditure amounts include any designated sales tax funds expended.

Table 5. County General Fund Average Cash Balance, Revenues, and Expenditures, Statewide and by Population Group per Capita.

<i>Fiscal Year 1997</i>	<i>Counties*</i>	<i>Group I 0-9000</i>	<i>Group II 9-15,000</i>	<i>Group III 15-40,000</i>	<i>Group IV 40-200,000</i>
<i>Number of Counties</i>	75	16	17	24	18
<i>Item</i>	<i>(Dollars)</i>				
Beginning Cash Surplus	\$16.30	\$49.14	\$31.50	\$16.94	\$10.93
Revenues:					
Ad Valorem	33.01	63.02	36.93	29.33	32.15
County Clerk Fees	4.20	7.52	5.12	4.30	3.74
Motor Vehicle	1.23	1.09	1.32	1.34	1.17
Interest on Investment	3.54	13.58	6.01	3.09	2.62
Sales Tax	19.12	36.38	26.61	21.80	15.06
Other Revenues	9.17	21.60	13.67	8.96	7.59
Total Revenues	70.28	143.19	89.67	68.82	62.34
Total Funds For Financing	86.58	192.33	121.17	85.75	73.27
Expenditures:**					
District Attorney	0.59	0.71	0.58	0.48	0.64
County Sheriff	12.20	27.52	18.87	12.04	10.02
County Treasurer	3.12	9.51	5.13	3.18	2.26
County Commissioner	1.58	0.70	1.06	1.85	1.59
OK Coop. Extension	1.55	3.69	2.97	1.47	1.19
County Clerk	4.94	12.81	7.39	4.71	4.06
Court Clerk	3.34	8.06	4.44	3.15	2.91
County Assessor	2.90	8.30	4.50	2.67	2.36
Rural./Visual Inspec.	3.89	5.23	5.80	4.43	3.17
General Government	15.46	37.75	24.45	15.01	12.52
Excise/Equal	0.14	0.49	0.33	0.15	0.08
County Elections	1.92	5.26	2.86	1.92	1.51
Other Expenditures	11.00	10.77	4.81	3.69	16.14
Total Expenditures	62.64	130.79	83.20	54.75	58.47
End of Year Cash Surplus	18.08	58.95	32.22	18.93	12.15
Avg. Population	28,677	5,681	11,611	27,874	66,308

* All Oklahoma Counties except Tulsa and Oklahoma.

**Expenditure amounts include any designated sales tax funds expended

Table 6. County General Fund Average Cash Balance, Revenues, and Expenditures, by Assessed Value Group.

<i>Fiscal Year 1997</i>	<i>Group I 0 - 35 millions</i>	<i>Group II 35 - 70 millions</i>	<i>Group III 70 - 105 millions</i>	<i>Group IV 105 - 170 millions</i>	<i>Group V* 170 - 700 millions</i>
<i>Number of Counties</i>	<i>17</i>	<i>17</i>	<i>18</i>	<i>11</i>	<i>12</i>
Beginning Cash Surplus	\$243,576	\$353,224	\$405,349	\$585,567	\$931,841
Revenues per Capita					
Ad Valorem	268,961	449,852	821,632	1,194,948	2,571,198
County Clerk Fees	38,875	64,243	119,468	170,592	271,453
Motor Vehicle Fees	8,781	15,525	30,406	57,690	87,951
Interest on Investments	62,297	75,385	91,891	138,152	175,666
Sales Tax Receipts	293,577	289,465	365,086	1,012,028	1,125,424
Other Revenues	132,619	159,239	232,481	356,357	554,120
Total Revenue	805,111	1,053,709	1,660,964	2,929,767	4,785,812
Total Funds for Financing	\$1,048,687	\$1,406,933	\$2,066,313	\$3,515,334	\$5,717,653
Expenditures per Capita:**					
District Attorney	5,153	4,597	14,085	15,849	55,516
County Sheriff	159,810	213,068	346,890	382,867	786,901
County Treasurer	46,825	56,920	93,426	106,373	174,304
County Commissioner	6,280	4,870	43,337	80,232	129,404
OK Coop Extension	23,239	27,424	45,559	56,203	85,861
County Clerk	61,035	88,736	136,939	183,921	298,708
Court Clerk	41,289	49,442	96,992	104,153	229,665
County Assessor	42,416	51,314	75,296	114,501	169,392
Reval./Visual Inspec.	49,997	66,937	99,245	175,907	221,752
General Government	202,776	297,175	407,758	547,725	948,814
Excise/Equal. Board	3,227	3,761	3,813	5,209	5,107
County Election Exp.	30,578	31,760	54,259	68,668	111,885
Other Expenditures	96,048	48,986	16,452	349,720	1,421,522
Total Expenditures	\$768,675	\$944,989	\$1,434,052	\$2,191,327	\$4,638,832
End of Year Cash Surplus	\$262,243	\$406,662	\$441,454	\$662,423	\$1,023,031
Avg. Population	8,464.00	10,827.00	26,670.00	38,606.00	76,512.00

* All Oklahoma Counties except Tulsa and Oklahoma.

**Expenditure amounts include any designated sales tax funds expended.

Table 7. Sources of Financing and Expenditures Accounts as Percentages of Respective Totals.

<i>Fiscal Year 1997</i>	<i>Group I 0 - 35 millions</i>	<i>Group II 35 - 70 millions</i>	<i>Group III 70 - 105 millions</i>	<i>Group IV 105 - 170 millions</i>	<i>Group V* 170 - 700 millions</i>
<i>Number of Counties</i>	<i>17</i>	<i>17</i>	<i>18</i>	<i>11</i>	<i>12</i>
Beginning Cash Surplus	23.23%	25.11%	19.62%	16.66%	16.30%
Revenues per Capita					
Ad Valorem	25.65%	31.97%	39.76%	33.99%	44.97%
County Clerk Fees	3.71%	4.57%	5.78%	4.85%	4.75%
Motor Vehicle Fees	0.84%	1.10%	1.47%	1.64%	1.54%
Interest on Investments	5.94%	5.36%	4.45%	3.93%	3.07%
Sales Tax Receipts	27.99%	20.57%	17.67%	28.79%	19.68%
Other Revenues	12.65%	11.32%	11.25%	10.14%	9.69%
Total Revenue	76.77%	74.89%	80.38%	83.34%	83.70%
Total Funds for Financing	100.00%	100.00%	100.00%	100.00%	100.00%
Expenditures per Capita:**					
District Attorney	0.67%	0.49%	0.98%	0.72%	1.20%
County Sheriff	20.79%	22.55%	24.19%	17.47%	16.96%
County Treasurer	6.09%	6.02%	6.51%	4.85%	3.76%
County Commissioners	0.82%	0.52%	3.02%	3.66%	2.79%
OK Coop Extension	3.02%	2.90%	3.18%	2.56%	1.85%
County Clerk	7.94%	9.39%	9.55%	8.39%	6.44%
Court Clerk	5.37%	5.23%	6.76%	4.75%	4.95%
County Assessor	5.52%	5.43%	5.25%	5.23%	3.65%
Reval./Visual Inspec.	6.50%	7.08%	6.92%	8.03%	4.78%
General Government	26.38%	31.45%	28.43%	25.00%	20.45%
Excise/Equal. Board	0.42%	0.40%	0.27%	0.24%	0.11%
County Election Exp.	3.98%	3.36%	3.78%	3.13%	2.41%
Other Expenditures	12.50%	5.18%	1.15%	15.96%	30.64%
Total Expenditures	100.00%	100.00%	100.00%	100.00%	100.00%

*All Oklahoma Counties except Tulsa and Oklahoma .

**Expenditure amounts include any designated sales tax funds expended.

Table 8. County General Fund Average Cash Balance, Revenues, and Expenditures, by Assessed Value Group per Capita.

<i>Fiscal Year 1997</i>	<i>Group I 0 - 35 millions</i>	<i>Group II 35 - 70 millions</i>	<i>Group III 70 - 105 millions</i>	<i>Group IV 105 - 170 millions</i>	<i>Group V* 170 - 700 millions</i>
<i>Number of Counties</i>	17	17	18	11	12
Beginning Cash Surplus	\$28.78	\$32.62	\$15.20	\$15.17	\$12.18
Revenues per Capita					
Ad Valorem	31.78	41.55	30.81	30.95	33.61
County Clerk Fees	4.59	5.93	4.48	4.42	3.55
Motor Vehicle Fees	1.04	1.43	1.14	1.49	1.15
Interest on Investments	7.36	6.96	3.45	3.58	2.30
Sales Tax Receipts	34.69	26.74	13.69	26.21	14.71
Other Revenues	15.67	14.71	8.72	9.23	7.24
Total Revenue	95.12	97.32	62.28	75.89	62.55
Total Funds for Financing	\$123.90	\$129.94	\$77.48	\$91.06	\$74.73
Expenditures per Capita:**					
District Attorney	0.61	0.42	0.53	0.41	0.73
County Sheriff	18.88	19.68	13.01	9.92	10.28
County Treasurer	5.53	5.26	3.50	2.76	2.28
County Commissioners	0.74	0.45	1.62	2.08	1.69
OK Coop Extension	2.75	2.53	1.71	1.46	1.12
County Clerk	7.21	8.20	5.13	4.76	3.90
Court Clerk	4.88	4.57	3.64	2.70	3.00
County Assessor	5.01	4.74	2.82	2.97	2.21
Reval./Visual Inspec.	5.91	6.18	3.72	4.56	2.90
General Government	23.96	27.45	15.29	14.19	12.40
Excise/Equal. Board	0.38	0.35	0.14	0.13	0.07
County Election Exp.	3.61	2.93	2.03	1.78	1.46
Other Expenditures	11.35	4.52	0.62	9.06	18.58
Total Expenditures	\$90.82	\$87.28	\$53.77	\$56.76	\$60.63
End of the Year Cash Surplus	\$30.98	\$37.56	\$16.55	\$17.16	\$13.37

*All Oklahoma Counties except Tulsa and Oklahoma .

**Expenditure amounts include any designated sales tax funds expended.

(Table 8). However, sales tax receipts are \$34.69 per capita for Group I and are only \$14.71 per capita for Group V. Fifteen of the seventeen counties in Group I collect a sales tax. Only five of the twelve counties in Group V have a sales tax.

Perhaps the most impressive statistic is the comparative tax burden per capita (Table 8). Group I collects \$95.12 per person, Group II collects \$97.32 per person, and Groups III – V are significantly less. Group V collections per person, for example, are about two-thirds that of Group I.

Another important point is the apparent economies of size in the provision of county government services. Economies of size refer 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 output. For example, Group I counties spend an average \$23.96 per capita on general government (Table 8). Group II supplies these services at \$27.45 per capita. Groups III and IV at \$15.29 and \$14.19 per capita, respectively, and Group V at \$12.40 per capita. Hence, the larger the county, 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 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 \$90.82 to \$53.77 per capita (Table 8). 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. Fortunately, new technologies are constantly being developed that may assist counties in maintaining services at reasonable cost.

The notable exception to declining cost per capita as county size increases is the county commissioners general fund budget. In this case, the cost per person is generally proportional to county size. Most likely, this reflects greater financial and economic health among larger counties. Greater health allows commissioners the freedom to pay some personnel salaries or other expenses from the general fund and have more road money to apply directly to road construction and maintenance.

Summary and Conclusions

In the current economic and institutional environment in Oklahoma, county government in smaller counties (in terms of population and taxable value) collects almost twice as much revenue per capita to finance county general fund expenditures. Larger counties benefit from economies of size in the provision of county government services. Smaller counties must rely heavily on the county sales tax to supplement property tax revenues. Larger counties with an adequate tax base (plenty of property wealth) can often avoid imposing a county sales tax on their citizens. For many smaller

counties already struggling to maintain or build their economy and population, the current framework of county government finance may hinder rather than help their efforts. That is, if taxes are relatively high, businesses and industries may locate elsewhere. Also, if services are under-funded, new or expanding industries may seek another location where services are not jeopardized. 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 must be assumed that they are willing to pay the price in order to maintain a certain set of county government services.

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