

"The accepted audited uniform accounting procedures of A.B.C. have enabled the circulation manager to have a daily or weekly check on all circulation operations."

— E. R. HATTON,
Circulation Manager,
Detroit, Mich.,
Free Press

CHAPTER 16

Audited Circulation

PRESENTING CIRCULATION FACTS in accurate detail is the desire and the aim of newspaper publishers. This is evidenced by their participation in the Audit Bureau of Circulations, an organization sponsored and maintained by newspapers, other publications, advertisers and advertising agencies for the protection of the buying public and for the furtherance of sound practices in circulation and advertising (see Fig. 16.1).

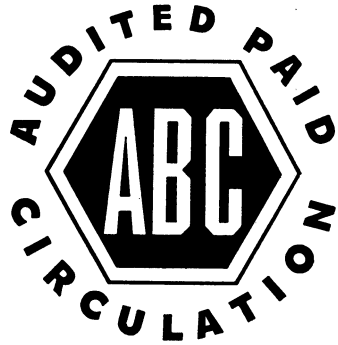
When the bureau was organized in 1914, publisher members realized that in furnishing verified information in terms of mutually approved standards, they would first help the advertiser in the buying of advertising and at the same time help themselves in the selling of space. Through the ABC, they have established a language through which advertisers, advertising agencies and publishers can converse with a common understanding.

CIRCULATION IS DEFINED

No longer is circulation a wild-eyed guess. It is known by all to mean "copies of publications . . . which have been paid for . . ." By no acceptable interpretation can the terms "distribution" or "press run" mean the same as "circulation." Publisher members of the Audit Bureau of Circulations have no opportunity to misrepresent the circulation of their newspapers. Advertisers can rely absolutely on the circulation figures and facts authorized by this organization.

The ABC requires that each member newspaper establish a basic price for each single copy and each term of subscription it offers. In the strictest sense, a basic price is the price at which the publication may be purchased by anyone, at any time, for a definite duration. No special or reduced price, no matter how often or how regularly re-

FIG. 16.1 — The Audit Bureau of Circulations insignie is a dependable guide in the selection and use of newspapers as advertising media. (Courtesy of Audit Bureau of Circulations.)



peated, even though announced in the masthead or by any other means, is considered a bona fide basic price.

Paid circulation, as defined by the Audit Bureau of Circulations, means all copies of the paper sold at the established basic price within certain allowances, as set forth in the bureau regulations:

(a) If the sale is a single copy sale it shall be paid for at not less than 50 per cent of the basic single copy price.

(b) On term order for a year the subscription must be paid for at not less than 50 per cent of the basic annual price. In case of a subscription for more than one year the subscription must be paid for at not less than 50 per cent of a pro rata of the basic annual price for the period covered in the order. If the subscription is for a period of less than one year it must be paid for at not less than 50 per cent of the basic price for the period offered. If there is no basic price for the period offered it must be paid for at not less than 50 per cent of the pro rata of the basic price for the next shorter period. If there is no basic price for the term offered nor for a shorter term it must be paid for at not less than 50 per cent of a pro rata of the basic price for the next longer term.

A price for a period of less than one year that is less than a pro rata of the basic annual price shall not be considered a basic price.

(c) A subscription for one year or more paid for in accordance with this rule or a subscription for less than one year on which not less than 50 per cent of the basic annual price has been paid, may be served, if the publisher so desires, for not more than three months after expiration of the subscription term.

CERTAIN STANDARDS MUST BE MET

The Audit Bureau of Circulations also sets up certain standards pertaining to the use of premiums, combination sales, contests, prizes and the like in order that its report concerning a newspaper's circulation will show how many copies have been purchased primarily by reason of the newspaper's merits and how many by reason of associated inducements. Chief among these standards are the following:

Premiums — When a premium is used in connection with a subscription offer, the full value of the premium, whether stated or not, must be

collected. When value of the premium is not stated or when value stated is less than the cost of the premium to the publisher, the value... shall be determined by adding 25 per cent to the cost of the premium to the publisher.

Combinations — When subscriptions for two or more publications are sold in combination . . . the amount paid by the subscriber must be not less than 50 per cent of the total value of all the subscriptions in the combination based on a pro rata of the basic annual subscription prices, and the amount paid for all the publications in combination must not be less than what the subscriber would have to pay if he purchased the highest priced publication by itself at its basic price for the subscription price offered, plus not less than 30 per cent of the total of the basic prices of the other publications in the combination for the subscription terms offered.

Contests — Subscriptions received in a contest and paid for by the contestant and not by the recipient shall not be recognized as conforming to any of the rules defining a paid subscriber.

Coupons — Subscriptions to, or copies of, a publication given in redemption of coupons or the equivalent, such as wrappers, box tops, etc., shall not be included in net paid circulation. This rule shall apply whether or not the coupons or equivalents are redeemable in cash.

Prizes — Subscriptions given as prizes through contests shall not be included in paid circulation. This includes subscriptions offered as premiums at county and state fairs.

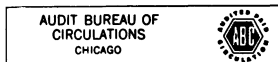
Group Organizers — In group organizer offers covering two or more subscriptions to the same publication, the amount received by the publisher for all subscriptions turned in must not be less than 50 per cent of the total value of all the subscriptions based on a pro rata of the basic annual subscription price for all the subscriptions served including the subscription of the group organizer.

Helping An Organized Charity — Circulation obtained through cooperation between a publisher and an organized charity, or other organization, where the publisher makes a donation in return for and in proportion to the circulation so obtained, shall be described in the paragraph of the bureau reports devoted to "other sources" of subscriptions unless already provided for in bureau reports.

Paid For By Advertising — Any subscription obtained by one publisher from another and paid for in service by the insertion of an advertisement may be included as paid circulation, provided proof of the insertion of the advertisement or other documentary evidence is available to establish the validity of each such subscription, but in such cases the auditor shall explain in the paragraph of the Audit Reports devoted to general explanations that this procedure has been followed by the publisher.

On Credit — A subscription which is owed on a promise-to-pay basis shall be regarded as a "credit subscription" and such subscriptions will qualify as paid circulation provided: (1) the term of the obligation to pay is not more than three months; (2) the subscriber pays the sum billed; and (3) that the amount charged is sufficient to meet the requirements of the bureau's rules in other respects.

Installment Payments — On a subscription payable in installments, or payable on delivery, only those copies shall be shown in paid circulation that are actually paid for (until at least 50 per cent of the basic annual price has been paid, when the subscription automatically qualifies as paid for one year).



AVERAGE PAID

1st Quarter 19..	13,772
2nd " 19..	13,858
3rd " 19..	13,719
4th " 19..	13,851
(See Par. 15-b)	



AUDIT REPORT-NEWSPAPER

The Evening Chronicle

Chicago

Illinois

Year Estab. 1915

Published Evening (See Par. 15-a)

Report for twelve months ending Dec. 31, 19..

General Newspaper.

1. Average paid circulation by zones and distribution methods	AVERAGE PAID CIRCULATION	
		Evening
CITY ZONE		
Carrier Delivery by independent carriers filing lists with publisher (See Par. 15-d)		7,750
Dealers and Carriers not filing lists with publisher		657
Street Vendors		
Publisher's Counter Sales		99
Mail Subscriptions		
Total City Zone (Population* 3,684,491)		8,506
RETAIL TRADING ZONE		
Carrier Delivery by independent carriers filing lists with publisher (See Par. 15-d)		4,045
Dealers and Carriers not filing lists with publisher		513
Mail Subscriptions		164
Total Retail Trading Zone (Population* 1,816,168)		4,722
Total City & Retail Trading Zones (Population* 5,500,659)		13,228
ALL OTHER		
Dealers and Carriers		87
Mail Subscriptions		486
Total All Other		573
TOTAL PAID excluding Bulk		13,801
(For bulk sales, see Paragraph 4)		

*1950 Census.

2. CITY AND RETAIL TRADING ZONES:

(a) AREA INCLUDED IN CITY ZONE IN PARAGRAPH 1 is the corporate limits of Chicago and Oak Park, in Cook County, Illinois.

(b) AREA INCLUDED IN RETAIL TRADING ZONE IN PARAGRAPH 1 extends north to Winthrop Harbor, Ill., southeast to Chesterton and Crown Point, Ind., south to Beecher and Peotone, Ill., southwest to Elwood and Minooka, Ill., west to Plano and Elburn, Ill., northwest to Crystal Lake and Lake Villa, Ill., and includes, with exception of city zone:

In Illinois:

Counties of Cook and Du Page.

In GRUNDY County, township of Aux Sable.

In KANE County, townships of Aurora, Batavia, Blackberry, Campton, Dundee, Elgin, Geneva, Plato, Rutland, St. Charles and Sugar Grove.

In KENDALL County, townships of Bristol, Kendall, Little Rock, Mausay, Oswego and Seward.

In LAKE County, townships of Avon, Benton, Cuba, Deerfield, Elia, Fremont, Lake Villa, Libertyville, Newport, Shields, Vernon, Warren, Wauconda, Waukegan, West Deerfield and Zion.

In McHENRY County, townships of Algonquin and Munda.

In WILL County, townships of Channahon, Crete, Du Page, Frankfort, Green Garden, Homer, Jackson, Joliet, Lockport, Manhattan, Monee, New Lenox, Peotone, Plainfield, Troy, Washington, Wheatland and Will.

In Indiana:

In LAKE County, townships of Calumet, Center, Hanover, Hobart, North, Ross, St. John and Winfield.

In PORTER County, townships of Portage and Westchester.

EIGHT LARGEST TOWNS IN RETAIL TRADING ZONE:

Gary, Ind.	Hammond, Ind.	Evanston, Ill.	Cicero, Ill.
East Chicago, Ind.	Joliet, Ill.	Beryn, Ill.	Aurora, Ill.

3. NET PRESS RUN AND TIME OF EDITIONS:

(THESE FIGURES INCLUDE SPOILED IN DISTRIBUTION, FREE COPIES, UNSOLD AND ALLOWANCES.)

Evening Issue for Tuesday, December 11, 19.. :

Edition	Press Time	Date Printed	Issue Dated	Net Press Run	Sales Release See Note	Approx. Distribution		
						City Zone	Retail Zone	All Other
1st	2:55 PM	12/11	12/11	14,070	A-C	62%	34%	4%

Note: A Immediate sales release in City.

C Sales release on arrival at destination in Retail Trading Zone and All Other.

4. AVERAGE BULK SALES IN ALL ZONES: Evening 7.

Represents term subscriptions sold to local merchants, clubs and business men in quantities of 1 to 4 yearly subscriptions at \$16.50 per subscription. Copies bearing the donor's name were distributed by the publisher for the free use of patients in local hospitals.

(The Evening Chronicle, Chicago, Ill., Page #2)

FIG. 16.2 — Pages 1 and 2 of ABC Audit Report for Newspaper. (Courtesy of Audit Bureau of Circulations.)

5. AVERAGE UNPAID DISTRIBUTION:

			Evening	
Arrears				
Service, Advertisers, Employees, etc.			37	
Agencies, Complimentary, Samples, Etc.			55	
Other Not Qualifying as Paid				
Total			92	

6. WERE RETURNS ACCEPTED OR ALLOWANCES MADE FOR UNDELIVERED, LEFT OVER AND UNSOLD COPIES?

Publisher's declared policy as to returns was nonreturnable to dealers in city zone, retail trading zone and all other.

The allowances for returns, undelivered, left over and unsold copies for period covered by this report were found to have been: to dealers in the city zone, 1.79%; dealers in the retail trading zone, 3.93%; dealers in all other, 1.14%.

These percentages are based on the gross draw and have been properly deducted therefrom, leaving paid circulation shown in Paragraph 1.

ANALYSIS OF CARRIER AND MAIL SUBSCRIPTION SALES (NEW AND RENEWAL)

For Period Covered by this Report

7. PREMIUM, COMBINATION AND SPECIAL OFFERS:

	TERM ORDERED				Misc.
	1 Month	3 Months	6 Months	1 Year	Periods
None of record, except as indicated:					
(e) Special reduced prices (as noted in Par. 14-b)	16	14	10	12	4

8. CLUBS:

None of record.

9. CONTESTS INVOLVING SUBSCRIPTION CONTRACT:

None of record.

10. CONTESTS NOT INVOLVING SUBSCRIPTION CONTRACT:

None of record.

11. INSURANCE:

None of record.

12. Arrears as at December 17, 19.. for mail; December 22, 19.. for balance:

	CITY ZONE		RETAIL TRADING ZONE		ALL OTHER	
Evening	Carriers	Dealers	Carriers	Dealers	Mail	Dealers
Arrears under 3 months	None	None	None	None	2.03%	1.95%

13. DISTRIBUTION IN TOWNS RECEIVING 25 OR MORE COPIES IN DETAIL BY COUNTIES, AS WELL AS THE TOTAL ONLY FOR TOWNS RECEIVING LESS THAN 25 COPIES DAILY.

Evening, December 17, 19..

Occupied Dwelling Unit figures - 1930 Census.

The listing below gives gross distribution for one day only and is greater or less than the average paid for the period covered by this report by the following percentages:

City Zone	0.47% less
Retail Trading Zone	2.18% greater
All Other	10.12% less
GRAND TOTAL	0.04% greater

The "Adjusted Figures" of county totals appearing below have been arrived at by decreasing (or increasing) the listed county total figures by the appertaining percentages as above set forth. These adjusted county totals will, therefore, approximate the average paid for the period covered by this report.

"BALANCE IN COUNTY" is comprised of the distribution in towns receiving less than 25 copies which is not identified with the towns, townships or minor civil divisions listed.

STATE COUNTY TOWN	OCCUPIED DWELLING UNITS	CARRIERS AND DEALERS	MOTOR ROUTES	MAIL	TOTAL
<u>ILLINOIS</u>					
<u>COOK COUNTY</u>	1,337,040				
Chicago (A.B.C.City Zone as described in Paragraph 2(a))	1,108,435	44,614 (Adjusted Figure)			44,614 43,932
BALANCE IN COUNTY	228,605				
Bervyn		1,960			1,960
Blue Island		422	190	20	632
Chicago Heights		480		4	484

(This is a sample of a page covering the list of towns shown in Paragraph 13. The reports themselves contain from 2 to 120 pages of similar detailed information.)

Wilmette				
Winnetka				
*BALANCE IN COUNTY	4,521	135	112	4,768
TOTAL COOK COUNTY (EX- CLUSIVE OF A.B.C. CITY ZONE)	21,111 (Adjusted Figure)	1,163	136	22,410 21,205

The Audit Bureau of Circulations requires also that each newspaper define its retail trading zone and its city zone. The latter, of course, is the incorporated area. The retail trading zone is the area from which business is drawn to stores within the city or town where the newspaper is published. It is important for the publisher and for advertisers to know how many copies of the paper are sold regularly in each of these zones.

AUTHORITY VESTED IN BOARD

The authority for establishing ABC standards and carrying them out is vested in a board of directors, composed of representatives from the following membership groups: advertisers, advertising agencies, newspaper publishers, magazine publishers, farm publication publishers and business publication publishers.

Newspapers are represented on the board by a director from each of the seven classifications: (1) newspapers published in Canada; (2) those published in the Eastern Standard Time Zone; (3) those published in the Central Standard Time Zone; (4) those in the Mountain and Pacific Time Zones; (5) those having less than 15,000 paid circulation; (6) those having more than 100,000 paid circulation; and (7) weekly newspapers.

A president, managing director and staff interpret the rules and bylaws made by the board of directors and audit and report the paid circulations of publisher members.

MAKING THE AUDITS

The Audit Bureau of Circulations issues two types of reports on each publisher member: (1) The Audit Report, which represents the findings of the circulation auditor and (2) the Publisher's Statement, which presents the publisher's claims to circulation for his newspaper.

The Audit Report

In compiling the Audit Report (see Figs. 16.2, 16.3, and 16.4), the ABC auditor visits the member's office and makes, checks and proves sixty or more individual samplings, tests and counts. If the records are accurate, this may provide him with enough information upon which to complete his audit and report his findings. If he finds an error, or if he suspects that the records are not accurate or true, he will continue his investigation and may, according to the bylaws, call for any record, report or statement of the publication he deems necessary.

When the auditor has completed his tests and has examined all records, he makes up a report of his findings — facts only, no opinions. This report, his working papers and any exhibits are sent to the

STATE COUNTY TOWN	OCCUPIED DWELLING UNITS	CARRIERS AND DEALERS	MOTOR ROUTES	MAIL	TOTAL
<u>ILLINOIS (Cont'd)</u>					
<u>DU PAGE COUNTY</u>	42,914				
Elmhurst		418	110	4	532
Glen Ellyn		361			361
Hinsdale		370			370
Lombard		296		4	300
Villa Park		349			349

ALL OTHER STATES

MISCELLANEOUS COUNTIES UNDER 25 COPIES

SUMMARY

TOTAL ILLINOIS	82,542	2,310	1,773	86,625
" INDIANA	3,566	388	592	4,546
" IOWA	211		632	843
" WISCONSIN	1,471		1,047	2,518
" MICHIGAN	493		1,196	1,689
" OHIO	125		344	469
" ALL OTHER STATES	390		3,282	3,672
GRAND TOTAL	88,798	2,698	8,866	100,362
	(Total Adjusted Figure			94,656)

14. PRICES:

	BY MAIL				BY CARRIER			
(a) Basic Prices:	1 Yr.	6 Mos.	3 Mos.	1 Mo.	1 Yr.	6 Mos.	3 Mos.	1 Mo.
CITY ZONE:								
Evening only	11.00	6.00	3.50	1.50				.40
RETAIL TRADING ZONE:								
Evening only	11.00	6.00	3.50	1.50				.40
ALL OTHER:								
Evening only	11.00	6.00	3.50	1.50				.40
	BY MOTOR ROUTE				SINGLE COPY			
CITY ZONE, RETAIL TRADING ZONE & ALL OTHER:	1 Yr.	6 Mos.	3 Mos.	1 Mo.	1 Yr.	6 Mos.	3 Mos.	1 Mo.
Evening only	18.00	9.00	4.50	1.50	(b)	7¢		

(b) Retail Trading Zone.

(b) Special reduced prices:

By mail to subscribers in the retail trading zone and all other, paid for by employees, 50% of basic subscription prices.

(c) Prices higher than basic:

By mail in all other outside counties of Montgomery, Fulton, Saratoga, Schenectady and Schoharie, 1 year \$15.00, 6 months \$8.00, 3 months \$4.25, 1 month \$1.75.

By mail to U. S. Armed Forces, 1 year \$12.00, 6 months \$6.50, 3 months \$3.50, 1 month \$1.20.

(The Evening Chronicle, Chicago, Ill., Page #5)

(d) Prices lower than basic:
None of record.

15. EXPLANATORY:

(a) No paper was published on the following dates due to holidays: January 2, 19..; May 30, 19..; July 4, 19..; September 3, 19..; November 22, 19..; December 25, 19.. .

(b) Re Quarterly Averages and Paragraph 1:

Due to the variation in the number of issues per quarter, the average of the total paid quarterly averages does not correspond to the grand average in Paragraph 1 of this report.

(c) Re Paragraphs 1 and 13:

Population figures in Paragraph 1 and Occupied Dwelling Unit figures in Paragraph 13 are 1950 Census except that figure obtained from other sources used for unincorporated community of Vail Mills in Retail Trading Zone.

(d) Re Paragraph 1:

Included in carrier delivery circulation there is an average of 66 copies per issue in the city zone, and an average of 16 copies per issue in the retail trading zone, and by mail an average of 2 copies per issue representing copies served to employees. Publisher had signed agreements on file in which the employees had the option of retaining an increase in salary equivalent to the amount of the subscription price or having this increase deducted to cover a subscription to the paper.

* The average paid circulation as reported by publisher in statements *
* to the Bureau has been substantiated by this audit. *

For comparative purposes, the average paid circulation by quarters as shown in audits for the previous three years and for the period covered by this report is shown below:

1st Quarter 19..	13,745	1st Quarter 19..	13,564
2nd " 19..	13,440 (a)	2nd " 19..	13,606
3rd " 19..	13,148	3rd " 19..	13,408
4th " 19..	13,383	4th " 19..	13,738
1st " 19..	13,420	1st " 19..	13,772
2nd " 19..	13,409	2nd " 19..	13,858
3rd " 19..	13,249	3rd " 19..	13,719
4th " 19..	13,350	4th " 19..	13,851

(a) Price increase effective April 13, 19..

CITY - Chicago, Ill.

DATE - January, 19..

AUDIT BUREAU OF CIRCULATIONS.

(The Evening Chronicle, Chicago, Ill., Page #6 - #01237 -SNK - MS)

bureau's headquarters in Chicago to be checked by a staff of house auditors.

Following this check by the house auditors, the report is sent to the bureau's duplicating department, where it is printed on a standard form. A copy is sent to the publisher and, unless an objection is raised by him, the report is released through the bureau's service department to advertisers and advertising agency members.

The Audit Report is replete with data concerning the paper. It divides the circulation into a number of classifications, shows percentage of returns, prices and subscription rates at which the paper is sold; explains condition of the circulation accounts receivable; details the number of papers circulated in states, counties, cities and towns; shows whether combination rates, premiums, contests or any other means have been used to stimulate circulation; and gives other information along this line.

The Publisher's Statement

The Publisher's Statement (see Fig. 16.5) is issued semiannually and sent to the ABC office, where each item is carefully checked and compared with items in previous statements. If the statement contains circulation fluctuations which are not explained, the ABC writes to the publisher for further information. If inaccuracies or errors are found, the publisher is asked to correct the statement before it is printed and released for distribution by the bureau. The thoroughness with which the checking is done by the bureau is shown in the hundreds of letters it writes to publishers for clarification and further information at every semiannual statement period.

The detailed, accurate work required in checking newspaper circulation records and compiling ABC reports requires a large staff of field men and office help. The Audit Bureau of Circulations employs 75 auditors, 67 of whom constantly travel about the United States and Canada, visiting the offices of 2,050 daily and weekly newspapers and 740 periodicals, to audit their records. These have all had formal training in accounting, and many have had several years of experience prior to joining the ABC staff. After becoming a member of the bureau's staff, the auditor undergoes rigid training before being sent out to perform his first audit. In the more than forty years of ABC auditing, never has an auditor's integrity been questioned.

Auditors Make Thorough Check

Field auditors leave nothing undone to obtain complete and accurate information. They investigate carefully the following:

1. Print-paper invoices and pressroom reports.
2. Transcript of publishers' circulation records, including totals for each issue during the period covered by the audit. This in-

PUBLISHER'S STATEMENT

News-Virginian (Evening)



For 6 Months Ending September 30, 19..

Subject to Audit by

AUDIT BUREAU OF CIRCULATIONS, 123 N. Wacker Drive, Chicago 6, Ill.

1. AVERAGE PAID CIRCULATION:		Evening
CITY ZONE		
Dealers & Carriers not filing lists	Par. 15(a)	4,078
Street Vendors		309
Publisher's Counter Sales		32
Mail Subscriptions		9
Total City Zone		4,428
Population 1950 Census	12,357	
RETAIL TRADING ZONE		
Dealers & Carriers not filing lists		2,942
Mail Subscriptions		97
Total Retail Trading Zone		3,039
Population 1950 Census	26,541	
Total City & Retail Trading Zones		7,467
Population 1950 Census	38,898	
ALL OTHER		
Dealers & Carriers		311
Mail Subscriptions		402
Total All Other		713
Subscriptions to Armed Forces (orders for 11 or more only)		
TOTAL PAID excluding Bulk (For bulk sales, see Paragraph 4)		8,180
AVERAGES BY QUARTERS:		
April 1 to June 30, 19..		8,222
July 1 to September 30, 19..		8,137

2. CITY AND RETAIL TRADING ZONES:

(Waynesboro, Virginia)

2. (a) Area included in City Zone in Paragraph 1 is the corporate limits of Waynesboro, in Augusta County, Virginia.

2. (b) Area included in Retail Trading Zone in Paragraph 1 extends north to Grottoes, east to Crozet, south-east to Coveseville, south to Lovington, southwest to Massies Mill, west to Greenville, northwest to New Hope, and includes, with exception of city zone:

In Augusta County, in Middle River District, Bureau of the Census enumeration districts 8-6, 8-7, and 8-8; South River Districts; in Riverhead District, enumeration district 8-22.

3. NET PRESS RUN AND TIME OF EDITIONS:

Edition	Press Time	Date Printed	Issue Dated	Net Press Run	Sales Release See Note	Approximate Distribution		
						City Zone	Retail Trading Zone	All Other
Evening Issue for Tuesday, September 16, 19..								
1st	2:30 PM	9/10	9/10	8,850	A-C	54%	38%	8%

NOTE: A—Immediate sales release in City. C—Sales release on arrival at destination in Retail Trading Zone and All Other.

4. AVERAGE BULK SALES IN ALL ZONES: 39.

5. AVERAGE UNPAID DISTRIBUTION:

	Evening
Arrears	
Service, Adv., Empl., etc.	17
Agencies, Comp. Samples, etc.	134
Total	151

6. (a) RETURNS POLICY:

Fully returnable to dealers and street vendors in the City Zone and to dealers in the Retail Trading Zone and All Other.

(b) Were these deducted, so that only paid is shown in Par. 1? Yes.

ANALYSIS OF CARRIER & MAIL SUBSCRIPTION SALES (New & Renewal)

7. PREMIUM, COMBINATION & SPECIAL OFFERS:

	1 Mo.	Term Ordered 3 Mos.	6 Mos.	1 Yr.	Misc. Periods
(c) Special reduced prices See Par. 14(b)		5	5	6	7

8. CLUBS:

None

9. CONTESTS INVOLVING SUBSCRIPTION CONTRACT:

None

10. CONTESTS NOT INVOLVING SUBSCRIPTION CONTRACT:

None

11. INSURANCE:

None

12. ARREARS UNDER THREE MONTHS. See Audit Report.

13. DISTRIBUTION IN TOWNS RECEIVING 25 OR MORE COPIES IN DETAIL BY COUNTIES AS WELL AS THE TOTAL ONLY FOR TOWNS RECEIVING LESS THAN 25 COPIES. (See Audit Report)

14. PRICES:

(a) Basic Prices	By Mail				By Carrier			
	1 Yr.	6 Mos.	3 Mos.	1 Mo.	1 Yr.	6 Mos.	3 Mos.	1 Mo.

CITY ZONE:	1 Yr.	6 Mos.	3 Mos.	1 Mo.	1 Yr.	6 Mos.	3 Mos.	1 Mo.
E. only ..	\$8.00	\$4.50	\$2.50	\$1.25	\$13.00	\$6.50	\$3.25	25c

RETAIL TRADING ZONE:

Mail & Carrier, same as City Zone.

ALL OTHER:

Mail & Carrier, same as City Zone.

By Motor Route

Single Copy

CITY ZONE, RETAIL TRADING ZONE & ALL OTHER:

Same as Carrier City Zone (b-c).

E. only .. 5c

(b) Retail Trading Zone; (c) All Other.

(b) Special reduced prices: By mail to members of U. S. Armed Forces, 1 year \$8.00, 6 months \$4.50. By mail to schools, students and teachers: In Virginia, 9 months \$5.00; outside Virginia, 9 months \$6.00.

(c) For prices higher than basic and prices lower than basic see Audit Report.

15. EXPLANATORY:

Regular publishing days on which no paper was issued:

July 4, 19.. September 2, 19..

(a) Paragraph 1:

In dealers and carriers in city zone is average of 50 copies for which publisher has signed agreements where-by employees had option of retaining increase in salary equivalent to subscription price or having increase deducted to cover subscription.

We hereby certify that all statements set forth in this statement are true.

JAMES R. TRENT (Circulation Manager)

LOUIS SPILMAN (Publisher)

(Date)

- cludes carrier, dealer, mail and street vendor circulation for city, retail trading zone and other zones.
3. Basic carrier and mail subscription rates by week, month or year to each zone; also any special reduced prices.
 4. Policy for handling returns, showing the percentages for undelivered, leftover and unsold copies in each zone for the period covered by the papers.
 5. Analysis of carrier and mail subscription sales, showing whether induced by premium, combination and special offers, contests or insurance contracts.
 6. Policy as to arrears, showing the arrears percentages for carrier, dealer and mail circulation by zones.
 7. Geographical breakdown, verifying the total distribution for one day to all towns which individually receive 25 or more copies, including carrier, dealer and mail circulation. This breakdown includes town, county and state totals.
 8. Explanatory information considered necessary to elaborate on any and all points given in the report.

All of the above information is given in both the Audit Report and the Publisher's Statement except the distribution by towns, which appears only in the Audit Report.

Under the bylaws, the bureau and its auditors have the right of access to "any and all records considered by the bureau to be necessary in order to verify publisher's circulation claims."

The record keeping required of publishers by the Audit Bureau of Circulations is described in Chapter 17, "Circulation Record Keeping and Accounting."

MEMBERSHIP DUES AND AUDIT COSTS

With the exception of weekly newspapers located in rural areas, all ABC publications are audited annually. Because there is little fluctuation in the circulation of small town weekly papers from year to year and because the cost of an annual audit might prevent some publishers from taking part in ABC, the bureau has set up an every-other-year audit plan for country weeklies.

In addition to the cost of audit, there are annual dues. The membership dues for daily newspapers are assessed on the basis of total distribution, as follows:

DISTRIBUTION	DUES	DISTRIBUTION	DUES
Under 5,000	\$15.00	50,000 to 75,000	\$85.00
5,000 to 10,000	\$25.00	75,000 to 150,000	\$130.00
10,000 to 25,000	\$45.00	150,000 to 500,000	\$180.00
25,000 to 50,000	\$65.00	Over 500,000	\$230.00

Weekly newspapers published in rural areas have annual dues of \$5.00.

The cost of the annual audit is determined by the time required to make the audit. A publisher who has his records in good order so that the auditor can check them quickly and feel confident they are correct saves himself money on this important phase of ABC membership.

When a newspaper applies for membership, the bureau requires a deposit which may range from \$140 to \$1,235, depending on the size of the newspaper's distribution. This deposit is an estimate based on bureau experience as to the cost of an initial audit under average record-keeping conditions. Poor records, requiring more than average audit time, could contribute to a deficit in the applicant's deposit balance, in which case the publisher is billed the difference. By the same token, if the audit costs are less than the deposited sum, the publisher is credited with the difference.

When an application for membership, together with an audit deposit, is received at the Audit Bureau of Circulations office, the applicant is sent copies of the required record-keeping forms and explanations of these and other ABC regulations. He is also contacted regarding his city and retail trading zones. From the time a publisher makes application, he must keep records in accordance with ABC regulations for a period of no less than six months, ending with a calendar quarter. The initial audit is made on the basis of this record-keeping period of at least six months. When the initial audit is completed, the publisher's name is submitted for board election to membership. If the vote is affirmative, the publisher's initial audit report is submitted to the publisher for approval. When this is received, the initial audit is released to the advertisers and agencies in the bureau's membership and the publisher then becomes a member.

If another member or other members are in the same area, the initial audit and subsequent audits for the newspaper seeking membership are scheduled to cover periods ending with the same date as the audit periods for other papers in the area.

To obtain membership in the Audit Bureau of Circulations, a daily newspaper must qualify 70 per cent or more of its total distribution as paid under bureau standards.

Advantages To Members

The chief advantages derived by a newspaper from ABC membership are:

1. Respect and confidence of advertisers.
2. Insight into newspaper's own practices.
3. Strong evidence of the newspaper's worth.

The newspaper that provides a full picture of its community and its circulation earns the good will of advertisers and advertising agencies. Even though it may not be able to maintain a circulation

figure as great as that sworn to by other newspapers in towns of similar size, its report will be given respectful consideration when it is backed by an ABC audit.

Furthermore, the examination of a publication's circulation records by an outside, disinterested auditing organization gives the publisher a constantly up-to-date survey of his progress. ABC reports visualize the activities in production, distribution, sales and collections. This information is essential to an efficient operation and also aids the publisher in building and maintaining the volume, type and distribution of circulation that is inviting to advertisers.

ABC membership is an advantage also when a newspaper property is offered for sale. The volume of net paid circulation is an important item in determining the selling price. Bureau membership makes it possible for the seller to provide unquestioned evidence of the publication's circulation. A study of current and past ABC reports gives the prospective buyer verified history and information essential to deciding whether or not purchasing the newspaper would be a sound business investment.

It is the responsibility of all who profit from the work of the Audit Bureau of Circulations — publishers, advertisers and agencies alike — to participate in the unity of moral and financial support that makes the bureau possible.