UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): November 1, 2016

CBIZ, INC.
(Exact name of registrant as specified in its charter)

Delaware	1-32961	22-2769024
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

6050 Oak Tree Boulevard, South, Suite 500
Cleveland, Ohio 44131
(Address of principal executive offices, including zip code)

Registrant’s telephone number, including area code: 216-447-9000

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On November 1, 2016, CBIZ, Inc. (the "Company") issued a press release announcing its financial results for the three and nine months ended September 30, 2016. A copy of the press release is furnished herewith as Exhibit 99.1. A transcript of CBIZ's earnings conference call held on November 1, 2016 is furnished herewith as Exhibit 99.2. The exhibits contain, and may implicate, forward-looking statements regarding the Company and include cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press Release of CBIZ, Inc. dated November 1, 2016, announcing its financial results for the three and nine months ended September 30, 2016.

99.2 Transcript of earnings conference call held on November 1, 2016, discussing CBIZ's financial results for the three and nine months ended September 30, 2016.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 7, 2016

CBIZ, INC.

By:	/s/ Ware H. Grove
Name:	Ware H. Grove
Title:	Chief Financial Officer

PRESS release

FOR IMMEDIATE RELEASE

CONTACT: **Ware Grove**
Chief Financial Officer
-or-
Lori Novickis
Director, Corporate Relations
CBIZ, Inc.
Cleveland, Ohio
(216) 447-9000

CBIZ REPORTS THIRD-QUARTER AND NINE-MONTH 2016 RESULTS

THIRD-QUARTER HIGHLIGHTS:

- REVENUE +6.8%
- SAME-UNIT REVENUE +1.0%
- EPS FROM CONTINUING OPERATIONS +11.1%

NINE-MONTH HIGHLIGHTS:

- REVENUE +6.0%
- SAME-UNIT REVENUE +2.5%
- EPS FROM CONTINUING OPERATIONS +13.2%

CLEVELAND (November 1, 2016) – CBIZ, Inc. (NYSE: CBZ) today announced third-quarter and nine-month results for the periods ended September 30, 2016.

For the 2016 third quarter, CBIZ reported revenue of $199.8 million, an increase of $12.7 million, or 6.8%, over the $187.1 million reported in the third quarter of 2015. Same-unit revenue increased by $1.8 million, or 1.0%, for the third quarter, compared with the same period a year ago. Newly acquired operations, net of divestitures, contributed $10.9 million, or 5.8%, to revenue in the quarter. CBIZ reported third-quarter income from continuing operations of $11.0 million, or $0.20 per diluted share, compared with $9.6 million, or $0.18 per diluted share, for the same period a year ago. Adjusted EBITDA for the third quarter was $25.4 million, compared with $23.3 million for the third quarter of 2015.

For the nine-month period ended September 30, 2016, CBIZ reported revenue of $621.0 million, an increase of $35.0 million, or 6.0%, over the $586.0 million recorded for the comparable nine-month period a year ago. Same-unit revenue increased by $14.7 million, or 2.5%, for the first nine months, compared with the same period a year ago. Acquisitions, net of divestitures, contributed $20.3 million, or 3.5%, to revenue growth for the first nine months. Income from continuing operations was $41.2 million, or $0.77 per diluted share, for the first nine months of 2016, compared with $35.8 million, or $0.68 per diluted share, for the same period a year ago. Adjusted EBITDA for the first nine months was $89.4 million, compared with $83.6 million for the first nine months of 2015.

Jerry Grisko, CBIZ President and Chief Executive Officer, said, "Our results remained strong for the three and nine month periods ended September 30, 2016, with growth in revenue and earnings per share in line with the goals set for 2016. The stability of our business continues to generate strong cash flow from operations, and growth in adjusted EBITDA is in line with expectations. It's been a very good year for the Financial Services segment, reflecting strength in both our government healthcare consulting business and our core accounting business. The growth in the Employee Services segment was driven primarily by newly acquired operations."

"We are pleased with the results from our acquisition activity, as we have completed four acquisitions so far this year that are expected to contribute a total of approximately $34.0 million to annualized revenue. With our strong cash flow and current pipeline of acquisitions, we have the capacity and desire to continue our strategic acquisition program, as well as conduct opportunistic share repurchases," continued Grisko.

2016 Outlook

Grisko added, "Our full year outlook remains consistent with our prior guidance of:

- "Total revenue growth within a range of 6% to 8% over 2015; and
- "Fully diluted earnings per share to increase 12% to 15% over the reported $0.66 for 2015, or 9% to 12% over the normalized 2015 earnings per share of $0.68, which eliminates the impact of share equivalents related to the 2010 Convertible Notes that were fully retired in 2015."

Conference Call

CBIZ will host a conference call at 11:00 a.m. (ET) today to discuss its results. The call will be webcast in a listen-only mode over the Internet for the media and the public, and can be accessed at www.cbiz.com. Shareholders and analysts who would like to participate in the call can register at http://dpregister.com/10093751 to receive the dial-in number and unique personal identification number. Participants may register at any time, including up to and after the call start time.

A replay of the webcast will be made available approximately two hours following the call on the Company's web site at www.cbiz.com. For those without Internet access, a replay of the call will also be available starting at approximately 1:00 p.m. (ET), November 1, through 5:00 p.m. (ET), November 4, 2016. The toll-free dial-in number for the replay is 1-877-344-7529. If you are listening from outside the United States, dial 1-412-317-0088. The access code for the replay is 10093751.

About CBIZ

CBIZ, Inc. provides professional business services that help clients better manage their finances and employees. CBIZ provides its clients with financial services including accounting, tax, financial advisory, government healthcare consulting, risk advisory, and valuation services. Employee services include employee benefits consulting, property and casualty insurance, retirement plan consulting, payroll, and HR consulting. As one of the largest accounting, insurance brokerage and valuation companies in the United States, the Company's services are provided through more than 100 Company offices in 33 states.

Forward-looking statements in this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, but are not limited to, the Company's ability to adequately manage and sustain its growth; the Company's dependence on the current trend of outsourcing business services; the Company's dependence on the services of its CEO and other key employees; competitive pricing pressures; general business and economic conditions; and changes in governmental regulation and tax laws affecting the Company's insurance business or its business services operations. A more detailed description of such risks and uncertainties may be found in the Company's filings with the Securities and Exchange Commission.

CBIZ, INC.
FINANCIAL HIGHLIGHTS (UNAUDITED)
THREE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015
(In thousands, except percentages and per share data)

	THREE MONTHS ENDED SEPTEMBER 30,			
	2016	%	2015	%
Revenue	$199,794	100.0%	$187,102	100.0%
Operating expenses (1) (2)	174,069	87.1%	158,496	84.7%
Gross margin	25,725	12.9%	28,606	15.3%
Corporate general and administrative expenses (1)	8,679	4.4%	8,028	4.3%
Operating income	17,046	8.5%	20,578	11.0%
Other income (expense):				
Interest expense	(1,760)	-0.9%	(1,840)	-1.0%
Gain on sale of operations, net	329	0.2%	5	0.0%
Other income (expense), net (1) (3)	2,632	1.3%	(2,367)	-1.3%
Total other income (expense), net	1,201	0.6%	(4,202)	-2.3%
Income from continuing operations before income tax expense	18,247	9.1%	16,376	8.7%
Income tax expense	7,260		6,787	
Income from continuing operations	10,987	5.5%	9,589	5.1%
Loss from operations of discontinued businesses, net of tax	(133)		(561)	
Gain on disposal of discontinued businesses, net of tax	—		1,172	
Net income	$ 10,854	5.4%	$ 10,200	5.5%
Diluted earnings per share:				
Continuing operations	$ 0.20		$ 0.18	
Discontinued operations	—		0.01	
Net income	$ 0.20		$ 0.19	
Diluted weighted average common shares outstanding	53,846		54,445	
Other data from continuing operations:				
Adjusted EBITDA (4)	$ 25,355		$ 23,328	

(1) CBIZ sponsors a deferred compensation plan, under which a CBIZ employee's compensation deferral is held in a rabbi trust and invested accordingly as directed by the employee. Income and expenses related to the deferred compensation plan are included in "Operating expenses" ($2.1 million expense in 2016 and $3.5 million income in 2015, or (1.1%) and 1.9% of revenue, respectively) and "Corporate general and administrative expenses" ($0.3 million expense in 2016 and $0.4 million income in 2015, or (0.1%) and 0.2% of revenue, respectively) and are directly offset by deferred compensation gains or losses in "Other income (expense), net" ($2.4 million income in 2016 and $3.9 million expense in 2015, or 1.2% and (2.1%) of revenue, respectively). The deferred compensation plan has no impact on "Income from continuing operations before income tax expense."

(2) "Operating expenses" for the third quarter of 2016 include a reduction of $0.8 million related to state payroll tax incentives associated with an office relocation. During the third quarter of 2015, the Company recorded incentives associated with the office relocation of $0.7 million which were recorded in "Other income (expense), net." These incentives were reclassified from "Other income (expense), net" to "Operating expenses" to align the incentives with the expenses associated with the office relocation. This reclassification had no impact on "Income from continuing operations" or diluted earnings per share from continuing operations.

(3) Included in "Other income (expense), net" for the three months ended September 30, 2016 and 2015, is income of $0.2 million and $1.6 million, respectively, related to net increases/decreases in the fair value of contingent consideration related to CBIZ's prior acquisitions.

(4) Refer to the financial highlights tables for a reconciliation of the nearest generally accepted accounting principles ("GAAP") financial measure to Non-GAAP financial measures, and for additional information as to the usefulness of the Non-GAAP financial measures to shareholders and investors.

CBIZ, INC.
FINANCIAL HIGHLIGHTS (UNAUDITED)
NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015
(In thousands, except percentages and per share data)

	NINE MONTHS ENDED SEPTEMBER 30,			
	2016	**%**	**2015**	**%**
Revenue	$621,047	100.0%	$586,010	100.0%
Operating expenses (1) (2)	526,182	84.7%	492,477	84.0%
Gross margin	94,865	15.3%	93,533	16.0%
Corporate general and administrative expenses (1)	27,270	4.4%	24,508	4.2%
Operating income	67,595	10.9%	69,025	11.8%
Other income (expense):				
Interest expense	(5,019)	-0.8%	(7,665)	-1.3%
Gain on sale of operations, net	480	0.0%	106	0.0%
Other income (expense), net (1) (3)	5,482	0.9%	(634)	-0.1%
Total other income (expense), net	943	0.1%	(8,193)	-1.4%
Income from continuing operations before income tax expense	68,538	11.0%	60,832	10.4%
Income tax expense	27,366		25,055	
Income from continuing operations	41,172	6.6%	35,777	6.1%
Loss from operations of discontinued businesses, net of tax	(421)		(1,226)	
Gain on disposal of discontinued businesses, net of tax	—		1,462	
Net income	$ 40,751	6.6%	$ 36,013	6.1%
Diluted earnings (loss) per share:				
Continuing operations	$ 0.77		$ 0.68	
Discontinued operations	(0.01)		0.01	
Net income	$ 0.76		$ 0.69	
Diluted weighted average common shares outstanding	53,320		52,285	
Other data from continuing operations:				
Adjusted EBITDA (4)	$ 89,436		$ 83,559	

(1) CBIZ sponsors a deferred compensation plan, under which a CBIZ employee's compensation deferral is held in a rabbi trust and invested accordingly as directed by the employee. Income and expenses related to the deferred compensation plan are included in "Operating expenses" ($3.7 million expense in 2016 and $2.6 million income in 2015, or (0.6%) and 0.4% of revenue, respectively) and "Corporate general and administrative expenses" ($0.6 million expense in 2016 and $0.4 million income in 2015, or (0.1%) and 0.1% of revenue, respectively) and are directly offset by deferred compensation gains or losses in "Other income, net" ($4.3 million income in 2016 and $3.0 million expense in 2015, or 0.7% and (0.5%) of revenue, respectively). The deferred compensation plan has no impact on "Income from continuing operations before income tax expense."

(2) "Operating expenses" for the nine months ended September 30, 2016 include a reduction of $2.3 million related to state payroll tax incentives associated with an office relocation. For the nine months ended September 30, 2016, the Company recorded incentives associated with the office relocation of $0.7 million which were recorded in "Other income (expense), net." These incentives were reclassified from "Other income (expense), net" to "Operating expenses" to align the incentives with the expenses associated with the office relocation. This reclassification had no impact on "Income from continuing operations" or diluted earnings per share from continuing operations.

(3) During the nine months ended September 30, 2015, CBIZ recorded a non-operating charge of $0.8 million from the early retirement of $49.3 million face value of its 2010 Notes that matured on October 1, 2015. Also included in "Other income (expense), net" is income of $0.9 million and $3.1 million at September 30, 2016 and 2015, respectively, related to net decreases in the fair value of contingent consideration related to CBIZ's prior acquisitions.

(4) Refer to the financial highlights tables for a reconciliation of the nearest GAAP financial measure to Non-GAAP financial measures, and for additional information as to the usefulness of the Non-GAAP financial measures to shareholders and investors.

CBIZ, INC.
FINANCIAL HIGHLIGHTS (UNAUDITED)
(In thousands)

SELECT SEGMENT DATA

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2016	2015	2016	2015
Revenue				
Financial Services	$ 123,049	$ 118,354	$398,112	$378,857
Employee Services	68,979	61,293	199,790	184,968
National Practices	7,766	7,455	23,145	22,185
Total	**$ 199,794**	**$ 187,102**	**$621,047**	**$586,010**
Gross Margin				
Financial Services	$ 17,434	$ 16,757	$ 72,013	$ 66,297
Employee Services	11,352	10,539	32,139	31,444
National Practices	871	811	2,368	2,291
Operating expenses - unallocated (1):				
Other	(1,793)	(2,981)	(7,988)	(9,093)
Deferred compensation	(2,139)	3,480	(3,667)	2,594
Total	**$ 25,725**	**$ 28,606**	**$ 94,865**	**$ 93,533**

(1) Represents operating expenses not directly allocated to individual businesses, including stock-based compensation, consolidation and integration charges and certain advertising expenses. “Operating expenses—unallocated” also include gains or losses attributable to the assets held in the Company’s deferred compensation plan. These gains or losses do not impact “Income from continuing operations before income tax expense” as they are directly offset by the same adjustment to “Other income (expense), net” in the Consolidated Statements of Comprehensive Income. Net gains/losses recognized from adjustments to the fair value of the assets held in the deferred compensation plan are recorded as compensation expense in “Operating expenses” and as income in “Other income (expense), net.”

CBIZ, INC.
SELECT CASH FLOW DATA
(In thousands)

	NINE MONTHS ENDED SEPTEMBER 30,	
	2016	2015
Net income	**$ 40,751**	**$ 36,013**
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	16,359	15,168
Amortization of discount on notes and deferred financing costs	393	2,140
Bad debt expense, net of recoveries	3,291	4,625
Adjustments to contingent earnout liability	(936)	(3,075)
Employee stock awards	4,332	4,319
Other adjustments	1,135	(1,098)
Net income, after adjustments to reconcile net income to net cash provided by operating activities	**65,325**	**58,092**
Changes in assets and liabilities, net of acquisitions and divestitures	(30,935)	(31,899)
Operating cash flows provided by continuing operations	34,390	26,193
Operating cash flows provided by (used in) discontinued operations	507	(417)
Net cash provided by operating activities	**34,897**	**25,776**
Net cash provided by investing activities	**35,164**	**60,221**
Net cash used in financing activities	**(70,397)**	**(85,136)**
Net (decrease) increase in cash and cash equivalents	**$ (336)**	**$ 861**

CBIZ, INC.
SELECT FINANCIAL DATA AND RATIOS
(In thousands)

	SEPTEMBER 30, 2016	DECEMBER 31, 2015
Cash and cash equivalents	$ 514	$ 850
Restricted cash	33,015	24,860
Accounts receivable, net	194,419	153,608
Current assets before funds held for clients	249,653	200,983
Funds held for clients - current and non-current	133,679	171,497
Goodwill and other intangible assets, net	575,851	535,653
Total assets	**$ 1,052,945**	**$ 996,331**
Current liabilities before client fund obligations	$ 118,326	$ 99,735
Client fund obligations	133,057	171,318
Notes payable - long-term	1,318	—
Bank debt (1)	218,118	203,931
Convertible notes - non-current	—	750
Total liabilities	**$ 578,259**	**$ 568,383**
Treasury stock	$ (470,124)	$ (462,167)
Total stockholders' equity	**$ 474,686**	**$ 427,948**
Debt to equity (2)	46.4%	47.8%
Days sales outstanding (DSO) - continuing operations (3)	86	72
Shares outstanding	53,565	52,953
Basic weighted average common shares outstanding	52,086	50,280
Diluted weighted average common shares outstanding	53,320	52,693

(1) Effective January 1, 2016, CBIZ adopted Accounting Standards Update ("ASU") 2015-03 and ASU 2015-15, "Interest—Imputation of Interest" which requires that debt issuance costs related to a recognized debt liability be presented on the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Upon the adoption of ASU 2015-03 and ASU 2015-15, the carrying amount of bank debt at December 31, 2015 has been retrospectively adjusted from $205.8 million to $203.9 million.

(2) Ratio is calculated as convertible notes, bank debt and notes payable divided by total stockholders' equity. Upon the adoption of ASU 2015-03 and ASU 2015-15, the Company retrospectively adjusted the debt to equity ratio at December 31, 2015 from 48.3% to 47.8%.

(3) DSO is provided for continuing operations and represents accounts receivable, net at the end of the period, divided by trailing twelve month daily revenue. The Company has included DSO data because such data is commonly used as a performance measure by analysts and investors and as a measure of the Company's ability to collect on receivables in a timely manner. DSO should not be regarded as an alternative or replacement to any measurement of performance under GAAP. DSO at September 30, 2015 was 85.

CBIZ, INC.
GAAP RECONCILIATION
Income from Continuing Operations to Non-GAAP Financial Measures (1)
(In thousands)

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,		TWELVE MONTHS ENDED DECEMBER 31,
	2016	2015	2016	2015	2015
Income from continuing operations	**$ 10,987**	**$ 9,589**	**$ 41,172**	**$ 35,777**	**$ 35,003**
Interest expense	1,760	1,840	5,019	7,665	8,902
Income tax expense	7,260	6,787	27,366	25,055	22,829
Gain on sale of operations, net	(329)	(5)	(480)	(106)	(84)
Adjusted EBIT (2)	**$ 19,678**	**$ 18,211**	**$ 73,077**	**$ 68,391**	**$ 66,650**
Depreciation	1,369	1,376	4,024	4,286	5,658
Amortization	4,308	3,741	12,335	10,882	14,731
Adjusted EBITDA (2)	**$ 25,355**	**$ 23,328**	**$ 89,436**	**$ 83,559**	**$ 87,039**

(1) CBIZ reports its financial results in accordance with GAAP. This table reconciles the nearest GAAP financial measure, "Income from continuing operations" to Non-GAAP financial measures. Prior year numbers have been adjusted to conform to current year presentation.

(2) Adjusted EBIT and Adjusted EBITDA are not defined by GAAP and should not be regarded as an alternative or replacement to any measurement of performance or cash flow under GAAP. Adjusted EBIT and Adjusted EBITDA are commonly used by the Company, its shareholders and debt holders to evaluate, assess and benchmark the Company's operational results and to provide an additional measure with respect to the Company's ability to meet future debt obligations.

CBIZ, INC.
GAAP RECONCILIATION
Earnings Per Share As Reported to Adjusted Earnings Per Share, For Purposes of Providing Full-Year 2016 Guidance
(In thousands, except earnings per share data)

	FOR THE YEAR ENDED DECEMBER 31, 2015
Dilutive shares outstanding	52,693
Convertible note dilutive impact	1,231
Dilutive shares excluding convertible note	51,462
Income from continuing operations, after-tax	$ 35,003
Diluted earnings per share:	
Continuing operations, as reported (3)	**$ 0.66**
Continuing operations, adjusted (3)	**$ 0.68**

(3) The Company reported $0.66 per diluted share from continuing operations. Excluding the impact of the share equivalents related to the 2010 Convertible Notes that were fully retired in 2015, diluted earnings per share from continuing operations would have been $0.68. The Company believes that excluding the 2010 Convertible Notes is useful to its shareholders and analysts because it eliminates the effect of a non-operating item that will not recur.

TRANSCRIPT OF EARNINGS CONFERENCE CALL HELD ON NOVEMBER 1, 2016

CORPORATE PARTICIPANTS

Lori Novickis *CBIZ Inc. - Director of Corporate Relations*

Jerry Grisko *CBIZ Inc. - President and CEO*

Ware Grove *CBIZ Inc. - CFO*

CONFERENCE CALL PARTICIPANTS

Jim Macdonald *First Analysis Securities Corporation - Analyst*

Joan Tong *Sidoti & Company, LLC - Analyst*

Robert Kirkpatrick *Cardinal Capital Management, L.L.C. - Analyst*

PRESENTATION

Operator

Good morning, everyone, and welcome to the CBIZ Third Quarter 2016 Earnings Conference Call. (Operator Instructions) Please note that this event is being recorded.

I would now like to turn the conference over to Lori Novickis, Director of Corporate Relations. Please go ahead.

Lori Novickis - *CBIZ Inc. - Director of Corporate Relations*

Thank you, William. Good morning, everyone, and thank you for dialing in to the CBIZ third quarter and nine months 2016 Results Conference Call. In connection with this call, today's press release has been posted on the Investor Relations page of our website, www.cbiz.com. This call is also being webcast, and a link to the live webcast as well as the replay can also be found on our website.

Before we begin our presentation, we would like to remind you that during the call, management may discuss certain non-GAAP financial measures. A reconciliation of these measures to the most comparable GAAP measures can be found in the financial tables of today's press release.

Finally, remember that management may also make forward-looking statements. Such statements are based on current information and management's expectations as of this date and do not guarantee future performance. Forward-looking statements involve certain risks, uncertainties and assumptions that can be difficult to predict. Actual results can and sometimes do differ materially. A more detailed description of such risks and uncertainties can be found in the company's filings with the Securities and Exchange Commission.

Joining us for today's call are Jerry Grisko, President and CEO; and Ware Grove, CFO.

I will now turn the call over to Jerry Grisko for his opening remarks. Jerry?

Jerry Grisko - *CBIZ Inc. - President and CEO*

Thank you, Lori, and good morning, everyone. Our third quarter and nine-month results were released this morning, and we're pleased to report continued strong growth in revenue, improved pretax margin and growth in earnings per share.

Total revenue for the third quarter was up 6.8%, with acquired revenue contributing 5.8% and the remainder coming from same-unit revenue growth. Margin on pretax income from continuing operations improved by 40 basis points, and earnings per share grew by 11.1% in the third quarter of this year compared with the prior year.

For the nine months ended September 30, total revenue was $621.0 million, up 6% from a year ago. Same-unit revenue was up 2.5% for the first nine months of this year, and we improved margin on pretax income from continuing operations by 60 basis points.

Earnings per share for the first nine months this year was $0.77, an increase of 13.2% over the $0.68 per share reported for the nine months a year ago. As we have discussed in prior calls, the seasonal nature of our tax and accounting work results in proportionately more revenue in the first half of the year compared with the second half. Given that seasonality, we are pleased with the performance of the business in the third quarter and for the first nine months and expect that full year results will generally be in line with the guidance on revenue and earnings per share that we previously provided.

Now turning to each of our practice groups. Our Financial Services group recorded another quarter of strong growth, both in revenue and in contributions to earnings. Total revenue for the third quarter was up by 4%, with same-unit revenue growing at 3.8% compared with the same period a year ago. For the nine months, total revenue grew by 5.1% with same-unit revenue growth up 5% compared with a year ago. The pretax margin contribution from this business has also improved by 50 basis points this year, and we are pleased to report that the growth continues to come from both our government health care consulting business and our core accounting business.

Within our core accounting business, we are pleased to see an increase in billable hours and in pricing. We also raised staff levels this year over 2015 to satisfy an increase in client demand. With peak client demand occurring in the first half of the year, our objective is to keep the staff utilized during the second half of the year when client demand is seasonally weaker. The third quarter results reflect favorably on our off-season productivity of our staff.

The government health care consulting business continues to be a very strong performer with steady growth in both revenue and earnings contributions. As the leading provider of our services to state Medicaid programs, we continue to expand the scope of services that we provide to a number of the states, and we are also expanding our service offerings related to the federal Medicare programs. As a reminder, most of these engagements are multiyear in nature and are periodically renewed through a formal RFP process. Our success rate in winning RFPs continues to be very high.

Now turning to our Employee Services group. Within that group, total revenue grew by 12.5% in the third quarter compared with the third quarter of 2015 and grew by 8% for the first nine months compared to the same period a year ago. We have been very active in our acquisition activity within this group, and our newly acquired operations are performing in line with expectations.

While we are pleased with the overall growth of this group, same-unit revenue for the group declined by 2.8% for the first nine months of this year. The softness in our Employee Services group organic revenue can be broadly ascribed to the following areas. First, across the business, we have experienced some lower levels of production and some turnover among a small number of our perennial top performers, including as a result of retirement. While we have been successfully replacing the headcount, it will take some time for our new producers to reach the level of productivity contributed by our more seasoned producers.

Within the employee benefit service line, we have also experienced lower contingent commissions and less favorable retention rates caused in part by the sale of a number of our large clients. We are comfortable that we have the right leaders focused on the right areas and that the organic revenue results will improve as a result of this focus.

Within our retirement plan services business, we benefited in 2015 from a number of large projects in our actuarial business. And while we’re pleased with our current pipeline of project work, the number and size of large projects has not recurred at the same levels thus far in 2016 compared to 2015.

On a positive note, our payroll services business continues to record growth this year. And although not materially impacting revenue in 2016, we are encouraged by the early reception that we’re receiving from our clients when we go to market by combining our payroll, our benefits and our HR technology services into an integrated service offering to our clients.

Also as I mentioned during the past 12 months, we have been very active with acquisition activity within our Employee Services group. These acquisitions have provided us a broader array of services in our retirement planning area, bolstered our payroll offerings and enhanced our employee benefits services, all of which are designed to strengthen our strategic positioning in the market.

With these comments, let me now turn it over to Ware Grove, our Chief Financial Officer, to highlight additional financial results for the quarter.

Ware Grove - *CBIZ Inc. - CFO*

Thank you, Jerry, and good morning, everyone. During the first nine months this year, our acquisition spending was approximately $44.3 million, including earnout payments on acquisitions made in prior years. For the remainder of 2016, we are estimating an additional payment of approximately $1.7 million for earnouts. Looking ahead, we are estimating earnout payments of approximately $11.8 million in 2017, $7.5 million in 2018, approximately $5.5 million in 2019, and approximately $400,000 is estimated for the year 2020 at this point.

Capital spending for the first nine months this year was approximately $3.2 million, and we expect full year capital spending to be within a range of $4.0 million to $5.0 million for the full year this year.

Cash flow from operating activities has continued to be steady. Days' sales outstanding on receivables stood at 86 days at September 30 this year compared with 85 days a year ago. With our seasonal billing and collection cycle, as is our typical seasonal pattern, we expect the days' sales outstanding on receivables will lower to within a range of approximately 70 to 72 days by the end of the year.

Bad debt expense as a percent of revenue stood at 53 basis points this year at September 30 compared with 79 basis points a year ago and is lower this year due to the successful recovery of several previously recorded bad debts.

At September 30 this year, the balance outstanding on our $400.0 million unsecured credit facility was $219.6 million. That means there is approximately $100.0 million of unutilized financing capacity currently and we have the flexibility to continue with our strategic acquisition program. And we have the flexibility to continue to address opportunities for share repurchases at the same time. Our priority for the use of capital continues to be focused on strategic acquisitions. But with a goal of maintaining a constant share count at approximately 50.0 million shares over time, we can continue to take an opportunistic approach towards share repurchase activity.

We continue to review the opportunity for share repurchases with a relatively consistent strength in our share price in recent months. However, share repurchase activity this year has been nominal. Through September 30 this year, we have repurchased approximately 700,000 shares at a cost of approximately $6.6 million. And since the end of the quarter, we have repurchased an additional approximately 50,000 shares at a cost of approximately $550,000 under our 10b5-1 program that we have had in place.

Our fully diluted weighted average share count at September 30 this year was 53.3 million shares. And for the full year of 2016, we expect a fully diluted weighted average share count of approximately 53.5 million shares at year-end.

With the redemption of the convertible notes in the second half of last year, as expected, interest expense is lower this year with approximately $5.0 million of interest expense for the nine months this year compared with approximately $7.7 million of interest expense a year ago.

Now as you look at the income statement, I want to remind you to bear in mind the impact of accounting for the gains or losses on our deferred compensation plan assets, which, at September 30 this year, were approximately $70.0 million. As a reminder, there is no impact on our reported income before tax expense, but the accounting does impact the reported operating expense and the reported G&A expense. Recognizing investment losses for the quarter and nine months a year ago compared with recognizing the investment gains for the quarter and nine months this year, the impact on reported expense does need to be considered, and it is outlined in the footnotes that are part of our earnings release. When you exclude the impact of the accounting for these gains and losses, the operating income margin for the nine months this year was 11.6% compared with 11.3% for the nine months a year ago.

Our effective tax rate for the nine months ended September 30 this year was approximately 40% compared with approximately 41% for the nine months a year ago. We are achieving a slightly lower effective tax rate for state income taxes this year, and we continue to expect an effective rate of approximately 40% for the full year this year.

So as Jerry commented earlier, we are very pleased with the performance of the business for the nine months this year. With revenue growth of 6% for the nine months ended September 30 this year, we are pleased to report an increase in pretax income margin and an increase in earnings per share from continuing operations to $0.77 compared with $0.68 for the same period a year ago. This is an increase of 13.2%, and we're happy to be leveraging the 6% increase in revenue into a much faster rate of growth in earnings per share.

Looking at the full year expectations this year, we continue to project total revenue growth within a range of 6% to 8% over the level achieved for 2015, with earnings per share from continuing operations increasing within a range of 12% to 15% over the $0.66 per share reported in 2015, or within a range of 9% to 12% over an adjusted $0.68 per share when you eliminate the impact of the 1.2 million share equivalents that were reported at the end of 2015 in connection with the convertible notes that were outstanding during 2015.

Cash flow continues to be strong with adjusted EBITDA reported of $89.4 million at September 30 this year, an increase of 7% over the $83.6 million reported at September 30 a year ago. So for the full year this year, we continue to project growth in adjusted EBITDA within a range of 7% to 9% over the $87.0 million reported for the full year last year.

So with these comments, I'll conclude, and I'll turn it back over to Jerry for further comments, and then open it up for questions and answers and discussions.

Jerry Grisko - *CBIZ Inc. - President and CEO*

Great. Thank you, Ware. I want to touch on just a couple of nonfinancial highlights for the quarter before we turn it over for questions. Many of the listeners on today's call participated in the Analyst Day that we held at the New York Stock Exchange on September 13. In addition to the high-level overview of the company that we often provide in our Investor Meetings, participants had an opportunity to hear the heads our Financial Services group and our Employee Services group provide a more detailed overview of the industries that we're in and our competitive position in those industries. We hope that the information was helpful in gaining an appreciation for our unique and differentiated position in the market and the value that, that brings to our clients.

CBIZ also celebrated our 20th anniversary in August. Each of our offices participated in the celebration. And together, we contributed over 20,000 volunteer hours to our local not-for-profit organizations. We are also proud to announce that we will be donating $20,000 to the American Cancer Society as part of that celebration, both of which are a reflection of our continued commitment to our core value of supporting the communities in which we live and work.

At this point, I'd like to turn it back to you, William, for questions and answers.

QUESTION AND ANSWER

Operator

(Operator Instructions) And the first questioner today is Jim MacDonald from First Analysis. Please go ahead, sir.

Jim Macdonald - *First Analysis Securities Corporation - Analyst*

Yes, good morning, guys. I'm glad you didn't get to the baseball related things in your other comments, but we are still live. The first question on Employee Services. Is there any particular reason that you're having higher turnover of these reps? Is it tougher environment in general? Anything else that might be causing this phenomenon?

Jerry Grisko - *CBIZ Inc. - President and CEO*

No, Jim. This is Jerry. We'll get to the baseball later, by the way. But no, we looked at that issue, Jim. It's really just a couple of people. They happen to be higher performers left for a variety of reasons again, including retirement, and we are looking at this as really just a point in time. There is nothing that we see that appears to be a pattern or anything to be concerned with. The person that runs that group has been on this issue and is very comfortable with the reasons that people have left.

Jim Macdonald - *First Analysis Securities Corporation - Analyst*

And can you give the same-store sales for Employee Services this quarter? And when do you sort of anniversary some of this difficulty?

Ware Grove - *CBIZ Inc. - CFO*

Jim, this is Ware. Yes, we actually start to lap our anniversary some of this stuff in the fourth quarter and certainly, next year. This was largely kind of a second half phenomenon last year and maybe ran into a bit this year in terms of kind of the timing of the retirements and turnover that impacted some of the revenue.

The quarter, the Employee Services group was down 4.9%. And for the year, down 2.8% organically. So the acquisition activity has been pretty heavy in this area. We're happy with the overall results, but the underlying organic is a bit weak, as Jerry commented earlier.

Jim Macdonald - *First Analysis Securities Corporation - Analyst*

Okay. And just one more. So on the government services side, is it fair to say that that's still growing in the upper single digits? Or any major change in growth rate there?

Ware Grove - *CBIZ Inc. - CFO*

No, Jim. This is Ware. Yes, same story. High single digits, continued growth. We think that's very sustainable for a period of time, as we outlined during the Analyst Day, so no change in the trend there.

Operator

(Operator Instructions) And the next questioner is Joan Tong from Sidoti & Company. Please go ahead.

Joan Tong - *Sidoti & Company, LLC - Analyst*

So guys, a couple of questions here. First off, the 1% organic growth, obviously, it's just a little bit disappointing. But if I look at your operating leverage just based on that 1% top line growth and total growth is 6%, 7%, it's still very decent. They are pretax, like, year-over-year growth. It's there. And also, we are seeing some nice expansion on the pretax margin.

So if I were to look at sort of like over a longer period of time, over next year, what's really your thinking about, like, maybe investment, hiring? And just want to get a sense that, "Hey, you know what? If we are seeing that level of organic growth, how can we be able to see any operating leverage if there's any additional hiring or maybe capacity expansion?" Just want to get a sense of what you're thinking.

Jerry Grisko - *CBIZ Inc. - President and CEO*

So thanks, Joan. First of all, I want to draw your attention to the fact that it is — our numbers are seasonal, right? So when you see the 1% in the third quarter, we have 2.5% so far for the nine months. And again, faster growth typically the beginning of the year, and then it kind of slows a little bit into the later parts of the year. So that's just one point of observation.

The other thing, getting specifically to your question, on all fronts, we are focused on organic growth. So you mentioned staffing. As I mentioned in my comments, if you looked at 2015, we actually had the client demand, but our staffing was down a little bit. We didn't get all the work out the door certainly in the first half of the year, so we increased our staffing in 2016 compared to 2015. That helped us improve revenues in the first half. But even more encouraging, we were able to keep that staff busy kind of into the third quarter, and we're very pleased with the amount of off-season work that we're able to utilize there, too. We will continue to look at our staffing levels to make sure that we are adequately staffed and continue to be active in the market as far as recruiting talent and particularly laterals.

The other thing that we're focused on from an organic revenue growth perspective are particular areas of accelerated growth. So Ware mentioned, for example, the government health care consulting business. We've won some very nice contracts there. We continue to see nice growth in the states that we — 49 states that we represent. We're also expanding some of the work that we do at the federal level, so we're very encouraged by that. And there are a number of other areas within each of the core businesses, including the combination, as I alluded to earlier, of the payroll and the benefits and the technology, what we call ESO on employee benefits side. We see nice trends there, albeit early stage. We see nice growth in some of our specialty consulting areas on the core accounting side. And we're also seeing nice growth and more growth in just the general services that we're providing on the accounting side of the business. So overall, quite positive, and we're focused on those areas of opportunity.

Joan Tong - *Sidoti & Company, LLC - Analyst*

Okay, okay. And since you touched on the government consulting — the health consulting side of the business, so if I recall, you had a recent deal with CMA, which is like a $70.0 million five-year contract. But you also mentioned that, like, just in general, that particular business, Medicaid and Medicare has been quite strong. And then there's some expansion in the scope of that business that you booked further in the near term. So I'm just wondering, like, how do you — how we're going to see this particular business over the long term? Are you still pretty comfortable with that 10% growth a year? And also in terms of new business — and can you just kind of pinpoint here like what are some of the additional, like, business that you actually booked recently?

Jerry Grisko - *CBIZ Inc. - President and CEO*

Yes. First of all, to answer your first question, yes, we're reasonably comfortable that the growth that we've experienced over the past couple of years should continue into the foreseeable future. We have no reasons to believe that, that won't be the case.

As far as the growth that we're seeing, we're seeing expansion of the services that we provide within the states that we represent on the Medicaid side. We're also seeing, as you mentioned, the large federal contract. We're seeing some opportunities in that space as well. They're coming in a number of different areas. But again, we have people who are always cultivating those relationships and certainly, working with the — both the federal and the state governments to understand our skill set and the services we can provide, and we've seen very favorable opportunities coming out of those discussions.

Joan Tong - *Sidoti & Company, LLC - Analyst*

Okay, okay. Got it. And then finally, on the cash flow. Obviously, very solid free cash flow generation, and you continue to mention acquisition would be a priority. So I just wonder how the sales acquisition pipeline is looking and — in terms of evaluation and sizes of opportunity — different opportunities out there.

Jerry Grisko - *CBIZ Inc. - President and CEO*

The pipeline is consistent with what we've seen over the past couple of years. There are a couple of larger transactions in that pipeline, although nothing larger than what we've historically done. But relative to some other transactions, there are some larger transactions. What I will tell you is they're early stage. There is a high mortality rate in those discussions. It's very hard to predict how many of those transactions will be completed and the timing of those transactions. But we are very comfortable with the pipeline that we have.

Moreover, we are very focused on making sure that we're optimizing the sourcing of those transactions and the number of looks that we're getting. And we're always improving in that area, including by contracting with some outside resources that can help us make sure that we're getting a good number of looks.

So I think we've improved our acquisition process over the past year. We're focused on continuing to improve that process. It takes a little while for those improvements to take hold and actually show results, but we're encouraged by what we're seeing.

Operator

Our next questioner today is Robert Kirkpatrick from Cardinal Capital Management. Please go ahead, sir.

Robert Kirkpatrick - *Cardinal Capital Management, L.L.C. - Analyst*

Could you please talk about the tone of your customers as they look to their businesses and the economy in the next six months or year or something, especially given the uncertainty of the election? I'm curious just to that.

Jerry Grisko - *CBIZ Inc. - President and CEO*

Yes. Robert, we basically have — the information we have is mostly anecdotal. But as I've commented before, I travel from office to office as does Ware and other members of the senior team. When we do that, we always sit across the table from the most senior client-facing professionals that we have in the office, and that is generally the subject of discussion, which is, what are we seeing in the market, what are we seeing from our clients, what is the level of optimism? And I will tell you that there is a higher level of optimism today than there certainly was a year ago or two years ago at this point.

Early signs on GDP is that GDP will be up in the third quarter compared to the second quarter. There are a number of reports that measure specifically small/middle market businesses. The trends are generally positive in that regard, and I will share that the sentiment of small/middle market businesses from all accounts on our front, so the conversations that we're having are generally more optimistic than oftentimes what you read about in the paper because many of those concerns that you read about in the paper are specific to a particular sector like energy or they have international exposure, etc.

Our clients, being small/middle market businesses, predominantly focus on the overall climate in their local towns, in their states and in their business environments. And again, I would share that, that is generally more optimistic than, again, it's about a year or two ago. On top of that, the evidence that we have is that we have seen a larger number of RFPs and that we've actually won a nice number of sizable engagements for off-season work, which is a pretty good indicator for us.

Operator

(Operator Instructions) It looks like we have no further questioner, so this will conclude our question-and-answer session. I would now like to turn the conference back over to Jerry Grisko for any closing remarks.

Jerry Grisko - *CBIZ Inc. - President and CEO*

Okay. Thank you, William. For the members of our team who are listening on today's call, I want to congratulate you on another strong quarter and thank you for all that you do to contribute to our success. I would also like to thank our shareholders and analysts as well as our over 4,400 team members and 90,000 clients for your continued support of our company. Thank you, and have a nice day.

Operator

The conference has now concluded. Thank you all for attending today's presentation. You may now disconnect your lines.