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 and Exchange Act of 1934

Date of Report (Date of earliest event reported): April 23, 2014

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)	(Zip Code)

216-447-9000
(Registrant's telephone number, including area code)

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:

☐ 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 April 23, 2014, CBIZ, Inc. (the "Company") issued a press release announcing its financial results for the first quarter ended March 31, 2014. A copy of the press release is furnished herewith as Exhibit 99.1. A transcript of CBIZ's earnings conference call held on April 23, 2014 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 April 23, 2014, announcing its financial results for the first quarter ended March 31, 2014.

99.2 Transcript of earnings conference call held on April 23, 2014, discussing CBIZ's financial results for the first quarter ended March 31, 2014.

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.

April 29, 2014	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
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CBIZ REPORTS 2014 FIRST-QUARTER RESULTS

REVENUE INCREASED 3.8%; SAME-UNIT REVENUE UP 1.4%

INCOME FROM CONTINUING OPERATIONS UP 5.0%, EPS FROM CONTINUING OPERATIONS $0.34

ADJUSTED EPS $0.36 EXCLUDING SHARE COUNT IMPACT OF CONVERTIBLE NOTES

Cleveland, Ohio (April 23, 2014)—CBIZ, Inc. (NYSE: CBZ) today announced results for the first quarter ended March 31, 2014.

CBIZ reported revenue of $208.9 million for the first quarter, an increase of $7.7 million, or 3.8%, over the $201.2 million reported in 2013. Same-unit revenue increased by $2.9 million, or 1.4% for the first quarter of 2014, compared with the same period a year ago. Newly acquired operations contributed $4.8 million to revenue in the 2014 first quarter. CBIZ reported net income from continuing operations of $18.0 million, or $0.34 per diluted share in the 2014 first quarter, compared with $17.1 million, or $0.34 per diluted share reported in 2013.

The fully diluted weighted average share count increased to 52.6 million shares at March 31, 2014, from 49.8 million shares a year ago primarily due to the accounting for approximately 3.1 million common stock equivalents related to the 4.875% Convertible Notes. This increase in share count impacted reported diluted earnings per share by $0.02.

The outstanding balance on the Company's $275.0 million unsecured bank line of credit at March 31, 2014, was $91.4 million, compared with a balance of $48.5 million at December 31, 2013. During the first quarter, the Company used $19.0 million to fund acquisition-related payments and $3.9 million to repurchase 457,000 shares of its common stock.

Steven L. Gerard, CBIZ Chairman and CEO stated, "We are seeing continued modest improvement in the economic environment affecting our clients and remain confident in achieving our full year guidance. In the first quarter our Financial Services group was negatively affected by office closings due to the severe weather conditions during our busy season as well as the timing and scope changes in a few of our government consulting contracts. The revenue impact of these events in the first quarter was approximately $2.6 million and we expect we will make this up throughout the year. Revenue in our Employee Services group was in line with our expectations. During the quarter we completed three acquisitions and expect to close additional transactions throughout the balance of the year.

“For the full year 2014, we continue to expect to achieve revenue growth within a range of 5% - 7% over 2013, and continue to expect to achieve an increase in earnings per share of 15% - 18% over the $0.51 reported for 2013, before adjusting for the impact of any increase in share count related to the Convertible Notes,” concluded Gerard.

CBIZ will host a conference call at 11:00 a.m. 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 this link: http://dpregister.com/10043918 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) April 23 through 5:00 p.m. (ET), April 25, 2014. 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 10043918.

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 health care consulting, risk advisory, real estate consulting, and valuation services. Employee services include employee benefits consulting, property and casualty insurance, retirement plan consulting, payroll, life insurance, HR consulting, and executive recruitment. As one of the nation’s largest brokers of employee benefits and property and casualty insurance, and one of the largest accounting and valuation companies in the United States, the Company’s services are provided through nearly 100 Company offices in 34 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 MARCH 31, 2014 AND 2013
(In thousands, except percentages and per share data)

	THREE MONTHS ENDED MARCH 31,			
	2014	%	2013 (1)	%
Revenue	$208,908	100.0%	$201,189	100.0%
Operating expenses (2)	166,187	79.6%	159,389	79.2%
Gross margin	42,721	20.4%	41,800	20.8%
Corporate general and administrative expenses (3)	10,259	4.9%	9,984	5.0%
Operating income	32,462	15.5%	31,816	15.8%
Other income (expense):				
Interest expense	(3,433)	-1.6%	(4,056)	-2.0%
Gain on sale of operations, net	8	0.0%	18	0.0%
Other income, net (4) (5)	1,975	0.9%	1,728	0.9%
Total other expense, net	(1,450)	-0.7%	(2,310)	-1.1%
Income from continuing operations before income tax expense	31,012	14.8%	29,506	14.7%
Income tax expense	13,030		12,385	
Income from continuing operations	17,982	8.6%	17,121	8.5%
(Loss) income from operations of discontinued businesses, net of tax	(219)		1,159	
(Loss) gain on disposal of discontinued businesses, net of tax	(474)		23	
Net income	$ 17,289	8.3%	$ 18,303	9.1%
Diluted earnings (loss) per share:				
Continuing operations	$ 0.34		$ 0.34	
Discontinued operations	(0.01)		0.03	
Net income	$ 0.33		$ 0.37	
Diluted weighted average common shares outstanding	52,618		49,836	
Other data from continuing operations:				
Adjusted EBIT (6)	$ 34,437		$ 33,544	
Adjusted EBITDA (6)	$ 39,285		$ 38,169	

(1) Certain amounts in the 2013 financial data have been reclassified to conform to the current year presentation and revised to reflect the impact of discontinued operations.

(2) Includes expense of $614 and $2,227 for the three months ended March 31, 2014 and 2013, respectively, in compensation associated with net gains from the Company's deferred compensation plan (see note 4). Excluding this item, "operating expenses" would be $165,573 and $157,162, or 79.3% and 78.1% of revenue, for the three months ended March 31, 2014 and 2013, respectively.

(3) Includes expense of $103 and $276 for the three months ended March 31, 2014 and 2013, respectively, in compensation associated with net gains from the Company's deferred compensation plan (see note 4). Excluding this item, "corporate general and administrative expenses" would be $10,156 and $9,708, or 4.9% and 4.8% of revenue, for the three months ended March 31, 2014 and 2013, respectively.

(4) Includes net gains of $717 and $2,503 for the three months ended March 31, 2014 and 2013, respectively, attributable to assets held in the Company's deferred compensation plan. These net gains do not impact "income from continuing operations before income tax expense" as they are directly offset by compensation adjustments included in "operating expenses" and "corporate general and administrative expenses."

(5) For the three months ended March 31, 2014 and 2013, amount includes income (expense) of $959 and ($887), respectively, related to net increases and decreases in the fair value of contingent consideration related to CBIZ's prior acquisitions.

(6) Adjusted EBIT represents income from continuing operations before income taxes, interest expense, and gain on sale of operations, net. Adjusted EBITDA represents Adjusted EBIT before depreciation and amortization expense of $4,848 and $4,625 for the three months ended March 31, 2014 and 2013, respectively. The Company has included Adjusted EBIT and Adjusted EBITDA 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 service debt. Adjusted EBIT and Adjusted EBITDA should not be regarded as an alternative or replacement to any measurement of performance or cash flow under generally accepted accounting principles.

CBIZ, INC.
FINANCIAL HIGHLIGHTS (UNAUDITED)
(In thousands, except per share data)

SELECT SEGMENT DATA

	THREE MONTHS ENDED MARCH 31, 2014	2013 (1)
Revenue		
Financial Services	$ 145,420	$ 140,925
Employee Services	56,109	52,778
National Practices	7,379	7,486
Total	**$ 208,908**	**$ 201,189**
Gross Margin		
Financial Services	$ 35,398	$ 36,043
Employee Services	10,374	10,156
National Practices	746	536
Operating expenses - unallocated (2):		
Other	(3,183)	(2,708)
Deferred compensation	(614)	(2,227)
Total	**$ 42,721**	**$ 41,800**

(1) Certain amounts in the 2013 financial data have been reclassified to conform to the current year presentation and revised to reflect the impact of discontinued operations.

(2) 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, net" in the consolidated statements of comprehensive income. Gains or 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 or expense in "other income, net."

NON-GAAP EARNINGS AND PER SHARE DATA

Reconciliation of Income from Continuing Operations to Non-GAAP Earnings from Continuing Operations (3)

	THREE MONTHS ENDED MARCH 31, 2014	Per Share	2013 (1)	Per Share
Income from Continuing Operations	$17,982	$ 0.34	$17,121	$ 0.34
Selected non-cash items:				
Amortization	3,591	0.07	3,456	0.07
Depreciation	1,257	0.02	1,169	0.02
Non-cash interest on convertible notes	736	0.02	684	0.02
Stock-based compensation	1,390	0.03	1,436	0.03
Adjustment to contingent earnouts	(959)	(0.02)	887	0.02
Non-cash items	6,015	0.12	7,632	0.16
Non-GAAP earnings - Continuing Operations	$23,997	$ 0.46	$24,753	$ 0.50

(3) The Company believes Non-GAAP earnings and Non-GAAP earnings per diluted share more clearly illustrate the impact of certain non-cash charges and credits to "income from continuing operations" and are a useful measure for the Company and its analysts. Non-GAAP earnings is defined as income from continuing operations excluding: depreciation and amortization, non-cash interest expense, non-cash stock-based compensation expense, and adjustments to the fair value of contingent consideration related to prior acquisitions. Non-GAAP earnings per diluted share is calculated by dividing Non-GAAP earnings by the number of weighted average diluted common shares outstanding for the period indicated. Non-GAAP earnings and Non-GAAP earnings per diluted share should not be regarded as a replacement or alternative to any measurement of performance under generally accepted accounting principles.

(4) Capital spending was $1.6 million for both the three months ended March 31, 2014 and 2013, respectively.

CBIZ, INC.
FINANCIAL HIGHLIGHTS (UNAUDITED)
(In thousands, except percentages and ratios)

SELECT BALANCE SHEET DATA AND RATIOS

	MARCH 31, 2014	DECEMBER 31, 2013
Cash and cash equivalents	$ 4,407	$ 771
Restricted cash	$ 22,173	$ 22,112
Accounts receivable, net	$ 184,452	$ 143,107
Current assets before funds held for clients	$ 233,457	$ 186,086
Funds held for clients - current and non-current	$ 126,787	$ 164,389
Goodwill and other intangible assets, net	$ 491,908	$ 469,083
Total assets	$ 932,431	$ 897,458
Notes payable - current	$ 754	$ 1,602
Current liabilities before client fund obligations	$ 100,057	$ 103,103
Client fund obligations	$ 126,752	$ 164,311
Convertible notes - non-current	$ 125,992	$ 125,256
Bank debt	$ 91,400	$ 48,500
Total liabilities	$ 535,415	$ 523,012
Treasury stock	$ (401,423)	$ (397,548)
Total stockholders' equity	$ 397,016	$ 374,446
Debt to equity (2)	54.9%	46.8%
Days sales outstanding (DSO) - continuing operations (3)	93	74
Shares outstanding	49,582	48,964
Basic weighted average common shares outstanding	48,182	48,632
Diluted weighted average common shares outstanding	52,618	49,141

(1) Certain amounts in the 2013 financial data have been reclassified to conform to the current year presentation and revised to reflect the impact of discontinued operations.

(2) Ratio is convertible notes, bank debt and notes payable divided by total stockholders' equity.

(3) DSO is provided for continuing operations and represents accounts receivable, net and unbilled revenue (net of realization adjustments) 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 generally accepted accounting principles. DSO at March 31, 2013 was 89.

Exhibit 99.2

CORPORATE PARTICIPANTS
Steve Gerard *CBIZ - Chairman, CEO*
Ware Grove *CBIZ - CFO*

CONFERENCE CALL PARTICIPANTS
Josh Vogel *Sidoti & Company - Analyst*
James Macdonald *First Analysis - Analyst*

PRESENTATION

Operator

Good morning and welcome to the CBIZ First Quarter 2014 Results Conference Call. All participants will be in listen-only mode.

(Operator Instructions).

After today's presentation, there will be an opportunity to ask questions. (Operator Instructions). Please also note this event is being recorded. I would now like to turn the conference over to Mr. Steve Gerard. Please go ahead.

Steve Gerard - ***CBIZ* - *Chairman, CEO***

Thank you, Maureen. Good morning, everyone, and thank you for calling in to our first quarter conference call. Before I begin my comments, I'd like to remind you of a few things. As with all our conference calls, this call is intended to answer the questions of our shareholders and analysts. If there are media representatives on the call, you're welcome to listen in; however, I ask that if you have a question you hold them for after the call and we'd be happy to address them at that time. This call is also being webcast and you can access it over our website at www.cbiz.com. You should have all received a copy of the release that we issued this morning. If you did not, you can access that on our website as well.

Finally, please remember that during the course of the call we may make forward-looking statements. These statements represent management's intentions, hopes, beliefs, expectations, and predictions of the future. Actual results can and sometimes do differ materially from those projected in forward-looking statements. Additional information concerning the factors that could cause actual results to differ materially from those in the forward-looking statements is contained in our SEC filings, Form 10-K, and press releases.

Joining me on the call this morning is Jerry Grisko, our President and Chief Operating Officer, and Ware Grove, our Chief Financial Officer. Prior to the opening this morning, we were pleased to announce our first quarter results. And while the pacing of our revenue was a bit slower than we had expected, the fact is that we actually reported growth in revenue, growth in income from continuing operations, and growth in pre-tax income, and, as Ware will explain in a minute, when you adjust for the share count for the impact of the converts, an increase in our earnings per share.

So, with that preface, let me turn it over to Ware to give you the details and then I'll come back and talk a little bit about what we're seeing in the market.

Ware Grove - ***CBIZ* - *CFO***

Thank you, Steve, and good morning, everyone. As is our normal practice, I want to take a few minutes to run through the highlights of the first quarter numbers we released this morning. As we get started, I want to remind everyone that numbers from the first quarter of 2013 are restated to reflect the sale of our MMP operation, which occurred in August of 2013. And for your reference, I would direct you to footnote 21 in our recently filed 10-K report for 2013, where you will find a restatement for each quarter for both 2012 and 2013.

Now, turning to the results we announced this morning, we are pleased to report that total revenue increased by 3.8%, or by $7.7 million, in the first quarter of 2014 compared with the prior year. Revenue grew at a slower pace than we expected for several reasons, that we can comment about later, but this translated into a 5% increase in net income after tax for the first quarter, so we were happy to leverage this revenue growth. Same-unit revenue grew by 1.4% in the first quarter and acquisition-related revenue contributed an additional $4.8 million to revenue growth in the first quarter.

Now, total revenue in our Financial Services group increased by 3.2%, with same-unit revenue increasing by 1.2% in the first quarter compared with the first quarter a year ago. Revenue growth was slower than anticipated due to a large number of weather-related office closures that impacted revenue in our Financial Services group by approximately $1 million during our busy season. This client work still needs to be done, but bear in mind that our staff was already working at full capacity during much of the first quarter. So, not unlike what occurred in the first half of last year, this revenue will be deferred into the second quarter or later in the year.

Our government healthcare consulting business, which is included within the Financial Services group, grew at 3.2% in the first quarter, but this was slower than expected due to the timing and impact of scope changes related to several ongoing, long-term government healthcare consulting engagements. This impacted our first quarter revenue by approximately $1.6 million. Now, we are continuing to have a very strong pipeline of new business opportunities, and we are successfully winning a very high percentage of these opportunities. So while the first quarter results were softer than expected for this healthcare consulting business, as new business continues to come onboard at a good pace we remain confident that we will achieve our full-year contribution goal for 2014.

Our revenue in our Employee Services group increased by 6.3%, with same-unit revenue increasing by 2.5% in the first quarter compared with a year ago. The environment continues to be favorable, and this revenue growth is in line with our expectations. We recorded organic growth in each of our major service lines, including employee benefits, property and casualty, retirement advisory, and payroll businesses, which together account for about 90% of the total revenue in this segment.

Now, eliminating the impact of accounting for gains or losses on the deferred compensation plan assets, which were $55 million at March 31, our operating income margin for the first quarter this year was 15.9%, compared with 17.1% for the quarter a year ago, which is a decline of 120 basis points. The slower than expected growth in Financial Services created pressure on margin in the first quarter this year, as this incremental revenue I described would have very little associated cost, so there was a large impact on our margin.

Cash flow is in line with our normal seasonal trend, as we typically build receivables and use cash in the first quarter before we begin to generate cash later in the second quarter and through the balance of the year. Days sales outstanding on our receivables at March 31 this year was 93 days, and that compares with 89 days at the end of the first quarter a year ago. Bad debt expense in the first quarter this year was 60 basis points of revenue, compared with 56 basis points of revenue for the first quarter a year ago.

The balance outstanding on our $275 million unsecured bank credit facility was $91.4 million at the end of the first quarter this year, compared with $48.5 million at year-end December 2013. During the first quarter, we used approximately $19 million for acquisition and earnout-related payments, and we also used approximately $3.9 million to buy back 457,000 shares of our common stock.

The capital spending in the first quarter was approximately $1.6 million, and consistent with our normal pattern, we expect capital spending for the entire year will range between $5 million and $6 million. Earnout payments scheduled for the remainder of 2014 total $5.6 million, and earnout payments are estimated at $13.4 million in 2015, $7 million in 2016, and approximately $4.8 million in 2017.

Now, the effective tax rate at the end of the first quarter was 42%, and that’s essentially unchanged from first quarter a year ago. We continue to expect the full year effective tax rate at approximately 40% as several favorable tax items are expected to occur later in the year.

As we commented in the release this morning, as a result of an average daily share price of $8.98 in the first quarter this year, the share count for common stock equivalents related to the convertible note caused a 3.1 million share increase in our reported share count. As a result, reported earnings per share was $0.34. And adjusting to exclude the share count impact of the convertible note, the first quarter earnings per share was $0.36 this year, compared with $0.34 for the first quarter a year ago. You may be aware that GAAP accounting for share equivalents presumes that shares will actually be issued for the gain above our $7.41 conversion price, but I want to remind you that at CBIZ's option we can settle the gain either by issuing shares valued at the higher price or we can settle the gain in cash, in which case there are no additional shares issued.

As a result of the unpredictable nature of this calculation, we presented our earnings per share guidance for 2014 assuming a constant share count compared with last year. As the average share price changes from quarter to quarter and for the year-to-date periods through 2014, this calculation will change, either up or down, as the share price changes, and this will impact the reported earnings per share as the share count changes. We talked about this during our most recent conference call, but to refresh your memory, as our average share price in any quarter or for the year-to-date period exceeds the $7.41 conversion price, GAAP requires that we calculate the number of shares required to settle the gain that is represented by the average share price difference above $7.41 and we include those share equivalents in our fully diluted weighted average share count.

Now, to help illustrate the unpredictable nature of this share equivalent calculation, you may recall that the average share price in the fourth quarter of 2013 was $8.43, and this would normally result in reporting an additional 2.1 million share equivalents in the share count. However, since there was an operating loss incurred in the fourth quarter of 2013, GAAP excludes any share equivalents in the share count, so this was not a factor. And the average full-year average share price for 2013 was $7.08, so this did not result in adding any share equivalents associated with the convertible note in 2013.

Now, with respect to share buyback activity this year, we bought back 457,000 shares in the first quarter, and we will continue to evaluate our use of capital to buy back shares. We continue to have a great deal of financial capacity to buy shares, but our priority is to use our capital to make strategic acquisitions. We will continue to evaluate potential share repurchases with a goal of maintaining a constant share count, absent the unpredictable and potentially volatile nature of the share count impact from the equivalents associated with the convertible note. Now, also bear in mind that since this convertible note was issued back in September of 2010 CBIZ has purchased a total of 18.8 million shares at an average price of $6.48 per share, including the 3.9 million shares bought in the third quarter of 2013 and the 457,000 shares bought so far in 2014.

So, in conclusion, we are pleased the first quarter results are solid, despite the several adverse timing impacts impacting the Financial Services group revenue and our reported margin. As occurred last year when we encountered similar first half of year earning timing issues, we expect the impact of these items will be made up in the second quarter and through the balance of the year and we continue to expect full-year revenue will increase within a range of 5% to 7% over the $692 million reported for 2013. The share count reporting in 2014 will be unpredictable, and, as we commented, CBIZ has the option to settle in cash and not issue any shares related to the convertible note.

So, excluding the impact on share count from the convertible note, we are continuing to predict that earnings per share will increase within a range of 15% to 18% over the $0.51 earnings per share that we reported for 2013. And we also continue to think that cash flow and the related EBITDA will increase 8% to 12% over the levels reported for 2013.

So with those comments, I'll conclude and I'll turn it back over to Steve.

Steve Gerard - ***CBIZ - Chairman, CEO***

Thank you, Ware. Let me just generally comment on the market as we see it. Our client base I would categorize as basically stable. They continue to be cautious, but are feeling better about their role in the economy. They are continuing to look to expand, albeit at a slow pace.

And as I've said in prior conference calls, the climb out of the historical economic downturn for small to mid-sized companies will be a slow climb, but we're seeing nothing in the marketplace affecting our clients today that has changed that cautious but somewhat growing environment.

On the acquisition front, we've completed three acquisitions this year. We typically target three to six. I'm highly confident that we will make or exceed that mark in 2014, so the acquisition pipeline remains strong in both our Employee Services group and our Financial Services group with respect to opportunities that we may have down the road.

With that, let me stop and take questions from our shareholders and analysts.

QUESTION AND ANSWER

Operator

We will now begin the question-and-answer session. (Operator Instructions). Our first question comes from Josh Vogel of Sidoti & Company. Please go ahead.

Josh Vogel - ***Sidoti & Company - Analyst***

Thank you. Good morning, Steve and Ware.

Steve Gerard - ***CBIZ - Chairman, CEO***

Hey, Josh.

Josh Vogel - ***Sidoti & Company - Analyst***

Given your guidance, especially revenue, that you reiterated for the full year, I was curious, what same-unit sales growth is implied in this guidance? And outside of additional acquisitions, what would get you to the high end of the range?

Ware Grove - ***CBIZ - CFO***

Yes, Josh. The Employee Services is in line with our expectation. We're pretty soft in the first quarter on Financial Services. So when you combine the two, we're expecting organic growth in the 3% to 3.5% range this year for the full year.

Steve Gerard - ***CBIZ - Chairman, CEO***

And the other half of your question, Josh, to get to the top of the range of guidance, it would have to come from acquisitions. That would be the other piece of the — the real issue for us is getting that organic growth rate in the target area that we want.

Josh Vogel - ***Sidoti & Company - Analyst***

Okay. And same-unit sales, obviously a little bit softer than expected in Q1. And I was just surprised because you were going up against a pretty favorable comp with the deferred revenue last year. So, was there anything else, besides weather-related closures and the timing of the government contracts that we should be aware of?

Steve Gerard - ***CBIZ - Chairman, CEO***

No. I don't think there's anything specific that affected the first quarter. And obviously, had we not had those two events, that incremental $2.6 million, most of which drops to the bottom line, by the way, would have changed the picture significantly. But there was nothing else specific in the quarter of any magnitude. There's always little bits and pieces here and there, but nothing significant.

Josh Vogel - ***Sidoti & Company*** - ***Analyst***

Okay. And have you thought about refinancing the convert and the timing with regard to that and what impact that could have on earnings? And would you maybe finance with a new convert or with bank debt?

Steve Gerard - ***CBIZ*** - ***Chairman, CEO***

We are actively involved in considering a number of things with respect to the eventual refinance of the convert — the convert is due September of next year. It is our intent at this time not to finance it with another convert, so we are looking at the market to determine whether the best opportunity might be a bank transaction, a private placement, or some combination of instruments. We hope to have clarity on some of it by the end of the third quarter this year so we're well positioned for next year.

Given the fact that we can't really buy them all in right now and, quite frankly, the premium would make it prohibitive, that — taking them out at this time isn't an option for us, but we will be well prepared by the end of third quarter to talk about our abilities to refinance it.

Josh Vogel - ***Sidoti & Company*** - ***Analyst***

Okay, great. And just two more quick ones. How big is the government consulting business today, on an annual basis?

Steve Gerard - ***CBIZ*** - ***Chairman, CEO***

It's about $100 million when you consider the federal and the state business, where we are the dominant firm providing Medicaid advisory and consulting services to what is now 48 of the 50 states, as well as the CMS.

And the particular contracts that were scaled back were federal government contracts, but the pipeline, as Ware commented, in that business is very, very strong and we have a high confidence level that we'll be able to make up that shortfall this year.

Josh Vogel - ***Sidoti & Company*** - ***Analyst***

Okay. And just lastly, I think I missed it, but did you say what the same-unit sales growth was in Employee Services?

Ware Grove - ***CBIZ*** - ***CFO***

Yes, Josh, 2.5% in the first quarter.

Josh Vogel - ***Sidoti & Company*** - ***Analyst***

Okay, great. Thank you very much.

Operator

Our next question comes from Jim Macdonald from First Analysis. Please go ahead.

James Macdonald - ***First Analysis*** - ***Analyst***

Yes, good morning, guys.

Steve Gerard - ***CBIZ*** - ***Chairman, CEO***

Hey, Jim.

Ware Grove - ***CBIZ - CFO***

Hi, Jim.

James Macdonald - ***First Analysis - Analyst***

So, just to make sure I'm clear, your EPS guidance for the year is assuming 50 million approximately, or a little bit less than that, share count, so it's excluding the impact of these dilutive shares?

Ware Grove - ***CBIZ - CFO***

That is right, Jim.

James Macdonald - ***First Analysis - Analyst***

Okay. And maybe you can walk us through a little bit, so you had 50 million shares in June of last year, you bought back the shares in the third quarter, 3.9, but you added back the 3.1 this quarter, but were up to 52.6 million shares. So there must be something else going on there.

Steve Gerard - ***CBIZ - Chairman, CEO***

Well, Jim, there are shares that are issued in each of our acquisitions.

James Macdonald - ***First Analysis - Analyst***

Okay.

Steve Gerard - ***CBIZ - Chairman, CEO***

— and there are shares issued for equity grants. So, that would make up the difference.

Ware Grove - ***CBIZ - CFO***

As well as the impact of the buybacks, last year and this year.

James Macdonald - ***First Analysis - Analyst***

Okay. And just following up on Josh's question on the government healthcare, I believe it grew very quickly last year. You talked about 3.2% growth this quarter, which is below your expectations.

I may be wrong, but I think it grew close to double digits, or maybe did grow double digits last year. What kind of growth do you expect this year for the government consulting business? And is that — how long can that — is that impacted by the ACA, or how long can that continue?

Ware Grove - ***CBIZ - CFO***

Yes. We had, I think — the growth last year organically was in the high single digits. And as this business continues to grow, Jim, just because of the law of large numbers, the growth rate might slow a little bit. But 3.2% is below our goal for the year, so we're looking for something in the mid to higher single digits this year as opposed to the 3.2%.

Steve Gerard - ***CBIZ - Chairman, CEO***

Yes, and longer-term, Jim, we think the Affordable Care Act is a plus for this business because this business is primarily focused on Medicaid at the state level, which turns out to be the economic conduit for the Affordable Care — or part of the conduit for the Affordable Care Act.

So, while there's pressure for state funding, just like there's pressure for federal funding, long term we don't think the Affordable Care Act is a negative; we think it's a positive in this business. And as Ware says, our target for this business growth this year and, quite frankly, for future years, is in the high single digits.

James Macdonald - ***First Analysis - Analyst***

So, you're helped by increased enrollments in Medicaid directly?

Steve Gerard - ***CBIZ - Chairman, CEO***

Well, not only increased enrollments in Medicaid, but it's the restructuring of the Medicaid programs at the state level and the auditing of those programs at the local level. So we do consultative work for the states and we do the audit and follow-up work, and each state has multiple programs.

So we may be in a state doing some programs and somebody else may be doing other programs, so it's really a combination of things. In addition to which, we are also a reasonably significant provider of consultative services and audit services for CMS as well.

James Macdonald - ***First Analysis - Analyst***

Yes. Thinking about that, so of the $2.6 million that was deferred, I'd expect most of the $1 million in the traditional business to come in in the second quarter. How about the other $1.6 million from scope changes? Is that kind of over the rest of the year?

Steve Gerard - ***CBIZ - Chairman, CEO***

Yes. I would like at it this way, Jim. The delayed work on the weather-related office closings will come — we expect it to come in in second and third quarter. The scope changes in the federal government, that business doesn't come back, but the pipeline in that business is strong enough to make up for that shortfall. And that should be phased in over the year.

James Macdonald - ***First Analysis - Analyst***

Okay. And on the other side of the ACA, so can we talk about any further impact of the ACA on your health brokerage business?

Steve Gerard - ***CBIZ - Chairman, CEO***

We can talk about it because there's been very little negative impact on that business. The numbers reported by Ware this morning for our Employee Benefits business is up year-over-year. We're not seeing any significant amount of our clients migrating or moving their employees off to exchanges, and to the extent we're involved and they do move it, there's a commission paid there anyway.

So in terms of assessing a negative impact, we're not seeing any significant impact from the carriers. To the extent there has been impact, it's been on small group, which is not our predominant business.

So we think there may be some more opportunity coming out of the Affordable Care Act because, as you know, the target date was moved another year, to the end of this year, so we did have some clients and perspective clients put off final decisions, so we're full out in that business and I'm not seeing any real negative impact. In fact, it was very encouraging in our Employee Services business to see that our four largest businesses in that group were actually up quarter-over-quarter.

James Macdonald - ***First Analysis - Analyst***

So, where do you see migration due to the Affordable Care Act? To more self insured options or — and somewhat to the exchanges?

Steve Gerard - ***CBIZ - Chairman, CEO***

We're seeing a couple of things. We're certainly seeing a shift in the plan design, where more and more companies are putting in high deductible plans, which are the cheapest plans for the employee. In part, that's a cost shift to them, because if there is an incident the employee's going to pick up a bigger piece of it. But we're seeing that as a trend across the board.

More and more small companies are, in fact, looking at self insurance. I can't say that we've seen a big migration in that direction, but they're certainly looking at it. But when you look at our client base, and the bulk of our revenue comes from the larger — 100-life and over of larger clients, there's been very little migration there to exchanges. The companies that have moved employees to exchanges have been really, for the most part, the really small companies.

So, we're watching it very closely. We look at it, quite frankly, every month. We're not seeing any significant negative trend at this point.

James Macdonald - ***First Analysis - Analyst***

Great. Thanks very much.

Steve Gerard - ***CBIZ - Chairman, CEO***

Okay, Jim.

Operator

(Operator Instructions). And this concludes our question-and-answer session. I would like to turn the conference back over to Mr. Steve Gerard for any closing remarks. Please go ahead.

Steve Gerard - ***CBIZ - Chairman, CEO***

Thank you, Maureen. To our shareholders and analysts, again, thank you for your continued support. As we indicated, the pacing of the revenue wasn't quite what we expected, but we do believe that we're in good shape to make it up.

For our associates across the country, thanks for your hard work in the first quarter. And for all of those who put up with the storms and the weather conditions and were able to contribute, you have my thanks. And I look forward to updating everybody after the second quarter. Thank you.

Operator

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