

METROPOLITAN HEALTH NETWORKS INC
Form 10-Q
May 10, 2004

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2004

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

For the transition period from _____ to _____

Commission file number 0-28456

METROPOLITAN HEALTH NETWORKS, INC.

(Exact name of registrant as specified in its charter)

Florida

65-0635748

(State or other jurisdiction of

(I.R.S. Employer

Incorporation or organization)

Identification No.)

250 Australian Avenue, Suite 400, West Palm Beach, Fl.

33401

(Address of principal executive office)

(Zip Code)

(561) 805-8500

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant
(1) has filed all Reports required to be filed by
section 13 or 15(d) of the Securities Exchange Act of 1934
during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been
subject to such filing requirements for the past 90 days.

Yes

No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class

Outstanding as of March 31, 2004

Common Stock par value \$.001

45,692,748

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Metropolitan Health Networks, Inc.

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METROPOLITAN HEALTH NETWORKS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

<u>ASSETS</u>	March 31, 2004 (Unaudited)	December 31, 2003 (Audited)
CURRENT ASSETS		
Cash and equivalents	\$ 1,366,647	\$ 2,176,204
Accounts receivable, net of allowance	2,121,067	2,138,690
Inventory	256,002	304,248
Other current assets	810,263	833,112
TOTAL CURRENT ASSETS	4,553,979	5,452,254
CERTIFICATES OF DEPOSIT - restricted	1,000,000	1,000,000
PROPERTY AND EQUIPMENT, net	625,039	659,682
GOODWILL, net	1,992,133	1,992,133
OTHER ASSETS	102,699	119,660
TOTAL ASSETS	\$ 8,273,850	\$ 9,223,729
 <u>LIABILITIES AND STOCKHOLDERS'</u> <u>EQUITY/(DEFICIENCY IN ASSETS)</u>		
CURRENT LIABILITIES		
Advances from HMO	\$ -	\$ 164,536
Accounts payable	990,677	1,756,347
Accrued expenses	752,686	1,413,195
Current maturities of capital lease obligations	69,419	104,315
Current maturities of long-term debt	416,547	975,169
Payroll taxes payable	234,199	3,408,736
TOTAL CURRENT LIABILITIES	2,463,528	7,822,298
CAPITAL LEASE OBLIGATIONS	-	3,092
LONG-TERM DEBT	802,436	1,901,000
TOTAL LIABILITIES	3,265,964	9,726,390
 COMMITMENTS AND CONTINGENCIES		
 STOCKHOLDERS' EQUITY/(DEFICIENCY IN ASSETS)		
Preferred stock, par value \$.001 per share; stated value \$100 per share;		
10,000,000 shares authorized; 5,000 issued and outstanding	500,000	500,000

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Other income		32,929		20,014
TOTAL OTHER INCOME (EXPENSE)		(121,593)		(366,356)
INCOME FROM CONTINUING OPERATIONS		1,490,767		964,692
DISCONTINUED OPERATIONS:				
Loss from operations of discontinued business segments		(45,958)		(248,995)
NET INCOME	\$	1,444,809	\$	715,697
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		41,722,527		32,273,745
INCOME FROM CONTINUING OPERATIONS:				
Basic	\$	0.03	\$	0.03
Diluted	\$	0.03	\$	0.03
LOSS FROM DISCONTINUED OPERATIONS:				
Basic	\$	-		