

Higher One Holdings, Inc.  
Form 10-Q  
May 02, 2012

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, 2012.

or

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: 001-34779

HIGHER ONE HOLDINGS, INC.  
(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

26-3025501  
(I.R.S. Employer  
Identification No.)

115 Munson Street  
New Haven, CT 06511  
(Address of Principal Executive Offices)(Zip Code)  
(203) 776-7776  
(Registrant's Telephone Number, Including Area Code)

N/A  
(Former Name, Former Address and Former Fiscal Year, If Changes Since Last Report)

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 by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" or "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one).

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

.. (Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of April 30, 2012 there were 54,778,382 shares of common stock, par value \$0.001 per share, outstanding.

HIGHER ONE HOLDINGS, INC.  
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FOR QUARTER ENDED MARCH 31, 2012

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As used herein, the terms “we,” “us,” “our,” “the Company” or “Higher One,” unless the context otherwise requires, mean Higher One Holdings, Inc. and its subsidiaries.



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## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements (unaudited)

Higher One Holdings, Inc.  
Condensed Consolidated Balance Sheets  
(In thousands of dollars, except share and per share amounts)  
(unaudited)

	December 31, 2011	March 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$39,085	\$33,818
Investments in marketable securities and certificates of deposit	15,743	21,813
Accounts receivable	3,672	5,394
Income receivable	5,961	5,159
Deferred tax assets	33	30
Income tax receivable	12,671	861
Prepaid expenses and other current assets	6,774	3,192
Total current assets	83,939	70,267
Deferred costs	3,776	3,631
Fixed assets, net	46,088	52,299
Intangible assets, net	16,787	16,875
Goodwill	15,830	15,830
Loan receivable related to New Markets Tax Credit financing	7,633	7,633
Other assets	712	605
Restricted cash	1,250	1,250
Total assets	\$176,015	\$168,390
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$3,118	\$3,814
Accrued expenses	26,414	18,289
Deferred revenue	9,690	10,039
Total current liabilities	39,222	32,142
Deferred revenue	2,173	2,162
Loan payable and deferred contribution related to New Markets Tax Credit financing	9,801	9,723
Deferred tax liabilities	1,233	842
Total liabilities	52,429	44,869
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Common stock, \$0.001 par value; 200,000,000 shares authorized; 57,675,806 shares issued and 56,615,683 shares outstanding at December 31, 2011; 57,048,065 shares	58	57

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issued and 54,876,814 shares outstanding at March 31, 2012		
Additional paid-in capital	161,268	164,714
Treasury stock, 1,060,123 and 2,171,251 shares at December 31, 2011 and March 31, 2012, respectively	(16,208 )	(33,106 )
Accumulated deficit, net of 2008 stock tender transaction of \$93,933	(21,532 )	(8,144 )
Total stockholders' equity	123,586	123,521
Total liabilities and stockholders' equity	\$176,015	\$168,390

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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Higher One Holdings, Inc.  
 Condensed Consolidated Statements of Operations  
 (In thousands of dollars, except share and per share amounts)  
 (unaudited)

	Three Months Ended March 31,	
	2011	2012
Revenue:		
Account revenue	\$ 41,999	\$ 47,110
Payment transaction revenue	4,305	5,329
Higher education institution revenue	4,376	4,624
Other revenue	703	718
Revenue	51,383	57,781
Cost of revenue	17,433	21,324
Gross margin	33,950	36,457
Operating expenses:		
General and administrative	9,772	