

Edgar Filing: HASBRO INC - Form 11-K

HASBRO INC
Form 11-K
June 25, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

(MARK ONE)

\X\ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009.

OR

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

COMMISSION FILE NUMBER 1-6682

A. FULL TITLE OF THE PLAN AND THE ADDRESS OF THE PLAN, IF DIFFERENT
FROM THAT OF ISSUER NAMED BELOW:

HASBRO, INC. RETIREMENT SAVINGS PLAN

B. NAME OF ISSUER OF THE SECURITIES HELD PURSUANT TO THE PLAN AND
THE ADDRESS OF ITS PRINCIPAL EXECUTIVE OFFICE:

HASBRO, INC.
1027 NEWPORT AVENUE
PAWTUCKET, RI 02862-1059

REQUIRED INFORMATION

I. FINANCIAL STATEMENTS

The following Plan financial statements and schedule prepared in accordance
with the financial reporting requirements of the Employee Retirement Income
Security Act of 1974 are filed herewith, as permitted by Item 4 of Form 11-K:

Report of Independent Registered Public Accounting Firm
Statements of Net Assets Available for Plan Benefits as of
December 31, 2009 and 2008
Statements of Changes in Net Assets Available for Plan Benefits for
the years ended December 31, 2009 and 2008
Notes to Financial Statements

Supplemental Schedule:

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

Other schedules are omitted as the required information is not applicable.

Edgar Filing: HASBRO INC - Form 11-K

II. EXHIBITS

23 Consent of Independent Registered Public Accounting Firm

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Committee appointed by the Board of Directors of Hasbro, Inc. to administer the Plan has duly caused this Annual Report on Form 11-K to be signed on its behalf by the undersigned hereunto duly authorized.

Hasbro, Inc. Retirement Savings Plan

Date: June 25, 2010

/s/ Deborah Thomas

Deborah Thomas

Chief Financial Officer

Report of Independent Registered Public Accounting Firm

The Plan Administrator

Hasbro, Inc. Retirement Savings Plan:

We have audited the accompanying statements of net assets available for plan benefits of the Hasbro, Inc. Retirement Savings Plan (the Plan) as of December 31, 2009 and 2008, and the related statements of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of December 31, 2009 and 2008, and the changes in net assets available for plan benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, Line 4i -

Edgar Filing: HASBRO INC - Form 11-K

Schedule of Assets (Held at End of Year) as of December 31, 2009 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ KPMG LLP

Providence, Rhode Island
June 25, 2010

HASBRO, INC. RETIREMENT SAVINGS PLAN

Statements of Net Assets Available for Plan Benefits

December 31, 2009 and 2008

	2009	2008
	----	----
Assets:		
Cash and cash equivalents	\$ 2,209,005	2,972,030
Investments, at fair value	303,470,111	222,863,954
Wrapper contracts, at fair value	-	101,978
	-----	-----
Total investments and cash (note 3)	305,679,116	225,937,962
	-----	-----
Receivables:		
Loans to participants	6,134,693	5,349,883
Investment income	-	186,168
Employer contributions	9,023,176	9,213,459
Due from brokers for securities sold	14,560	185,824
	-----	-----
Total receivables	15,172,429	14,935,334
	-----	-----
Total assets	320,851,545	240,873,296
	-----	-----
Liabilities:		
Payables for securities purchased	173,171	200,247
Accrued expenses	130,052	112,171
	-----	-----
Total liabilities	303,223	312,418
	-----	-----

Edgar Filing: HASBRO INC - Form 11-K

Net assets, reflecting investments at fair value	320,548,322	240,560,878
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(698,031)	2,036,852
	-----	-----
Net assets available for plan benefits	\$319,850,291	242,597,730
	=====	=====

See accompanying notes to financial statements.

HASBRO, INC. RETIREMENT SAVINGS PLAN

Statements of Changes in Net Assets Available for Plan Benefits

Years ended December 31, 2009 and 2008

	2009	2008
	-----	-----
Changes in net assets attributed to:		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	\$ 54,161,582	(98,045,208)
Dividends and interest	5,022,509	6,493,608
	-----	-----
Total investment income (loss) (note 3)	59,184,091	(91,551,600)
	-----	-----
Contributions:		
Rollovers	498,634	765,039
Employee contributions	14,793,228	15,249,665
Employer matching and other contributions	18,798,966	19,015,732
	-----	-----
Total contributions	34,090,828	35,030,436
	-----	-----
Transfer from other plan	-	1,114,514
Termination, withdrawal and retirement payments directly to participants	(15,540,900)	(23,768,134)
Administrative expenses	(481,458)	(409,596)
	-----	-----
Net increase (decrease)	77,252,561	(79,584,380)
Net assets available for plan benefits:		
Beginning of year	242,597,730	322,182,110
	-----	-----

Edgar Filing: HASBRO INC - Form 11-K

End of year	\$ 319,850,291	242,597,730
	=====	=====

See accompanying notes to financial statements.

HASBRO, INC. RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2009 and 2008

(1) Description of Plan

The following brief description of the Hasbro, Inc. Retirement Savings Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

(a) General

The Plan is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and is available to substantially all domestic employees of Hasbro, Inc. and certain subsidiaries (collectively the Company or Plan Administrator). Participation in the Plan is voluntary and eligibility provisions apply.

(b) Plan Merger and Transfer of Plan Assets

Hasbro, Inc. acquired Cranium, Inc. in January 2008. As a result, the Cranium, Inc. 401(k) Plan was merged into the Hasbro, Inc. Retirement Savings Plan on July 1, 2008. Assets totaling \$1,114,514 were transferred into the Plan as a result of the merger.

(c) Contributions

Eligible employees could contribute up to 50% of their eligible pay, limited to an annual maximum of \$16,500 and \$15,500 in 2009 and 2008, respectively. Contributions may be limited to less than the maximum percentage of eligible pay to enable the Company to meet IRS discrimination regulations. The Company makes a matching contribution, except for Milton Bradley union employees, of 200% of the first 2% of the participants' eligible pay that they contribute per pay period, plus a 50% match of the next 4% of participants' eligible pay that they contribute per pay period up to a maximum matching contribution of 6% of a participant's eligible pay per pay period. For Milton Bradley union employees, from January 1, 2008 through December 31, 2008 the Company's matching contribution was 40%, up to a maximum of 6% of a participant's eligible pay per pay period. From January 1, 2009 through December 31, 2009 the Company's matching contribution for Milton Bradley union employees was 45%, up to a maximum of 6% of a participant's eligible pay per pay period.

All eligible employees at least age 50 by the end of the calendar year are permitted to make additional pre-tax deferrals over and above the otherwise applicable limits. These additional deferrals are called "catch-up contributions." The Company does not make matching contributions on the "catch-up contributions." Catch-up contributions may be made up to an additional \$5,500 and \$5,000 for 2009 and 2008, respectively.

Edgar Filing: HASBRO INC - Form 11-K

HASBRO, INC. RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2009 and 2008

Effective at the end of December 2007, the Company froze defined benefit pension benefits being accrued for its non-union employees in the Hasbro, Inc. Pension Plan in the United States. These pension benefits were replaced by additional employer contributions made to this Plan beginning in 2008. These additional contributions for non-union employees include an annual Company contribution equal to 3% of an employee's eligible yearly pay. In addition, for eligible employees who met certain requirements that were based on a combination of age and years of vesting service in the pension plan as of December 31, 2007, the Company will make an annual transition contribution of between 1% and 9% of an employee's eligible yearly pay. The annual transition contribution is effective for Plan years 2008 through 2012. During 2009 and 2008, these annual transition contributions totaled \$3,362,710 and \$3,641,346, respectively.

(d) Vesting

All participants currently employed by the Company own, or are vested in, 100% of both employee contributions and the Company's matching contribution to the Plan. Participants become 100% vested in the Company's other contributions, including the annual 3% Company contribution and the annual transition contribution, after three years of vesting service. Participants earn one year of vesting service for each calendar year in which the participant has worked at least 1,000 hours.

(e) Forfeitures

The unvested portion of a terminated Participant's account is forfeited and used to reduce future employer contributions. In 2009 forfeitures were \$46,612. In 2008 there were no forfeitures.

(f) Payment of Benefits

Payments to participants will be paid upon retirement, disability, or termination of employment. The account balance will be paid to a beneficiary upon death of the participant. Participants in the Plan have the option of receiving their benefit payments either in a lump sum or in periodic installments. Participants, except for terminated participants, may also make in-service withdrawals from their Pre-Tax Savings Contribution Account in the event of a demonstrated severe financial hardship as defined by the IRS Safe Harbor rules. Participants who have reached age 59 1/2 may make in-service withdrawals from their vested accounts in the Plan for any reason.

Edgar Filing: HASBRO INC - Form 11-K

HASBRO, INC. RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2009 and 2008

(g) Participant Loans

The maximum loan available to each participant is the lesser of (1) \$50,000 reduced by the highest outstanding loan balance due from the participant during the preceding twelve months, or (2) 50% of the participant's vested account balance, reduced by the current outstanding loan balance due from the participant. The minimum loan amount available to participants is \$500. Each loan shall bear a fixed interest rate on the first day of the month (for each month) at prime as published in the Wall Street Journal on the prior day. Repayment of the loan must be made over a period not to exceed five years, unless it is for the purchase of a primary residence, in which case the loan period cannot exceed ten years.

(2) Summary of Accounting Policies

(a) Basis of Accounting

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan Administrator to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates. The accompanying financial statements are presented on the accrual basis of accounting. Benefits payable at year end are not accrued for as they are considered to be a component of the net assets available for plan benefits.

(b) Investments

Investments are stated at fair value. See Note 8 for a discussion of the methods used to determine the fair value of investments held by the Plan.

In 2009 and 2008 certain investment options offered by the Plan were deemed to be fully benefit-responsive investment contracts. Accounting standards require that these investments be reported at fair value. However, contract value is the relevant measure to the Plan because it is the amount that is available for Plan benefits. Accordingly, these investments are reflected in the Statements of Net Assets Available for Plan Benefits at their fair values, with corresponding adjustments to reflect these investments at their contract values. See Note 3 for further information on these investments.

Security transactions received prior to 4:00 pm Eastern time by the Trustee are recognized on that business day. Transactions received after 4:00 pm Eastern time are valued as of the next business day.

Interest income is recorded on the accrual basis and dividend income is recorded on the ex-dividend date.

HASBRO, INC. RETIREMENT SAVINGS PLAN

Notes to Financial Statements

Edgar Filing: HASBRO INC - Form 11-K

December 31, 2009 and 2008

Net appreciation (depreciation) in the fair value of investments includes both realized and unrealized gains and losses.

(c) Participant Loans

Participant loans receivable are recorded at amortized cost.

(d) Contributions

Contributions from employees are accounted for when deducted from employees' wages. The Company's matching contributions are accrued at the time the employee's contributions are deducted. For the years ended December 31, 2009 and 2008, employer and employee contributions for the last pay period of the year were paid to the Plan prior to the Plan's year end. The annual 3% company contribution and transition contributions are paid to the Plan subsequent to the end of each Plan year and are recorded as employer contributions receivable on the Statement of Net Assets Available for Plan Benefits at year end.

(e) Payments of Benefits

Benefits are recorded when paid.

(f) Administrative Expenses

The Plan bears all costs and general expenses incurred with regard to investment consulting, audit, legal and communication fees, other professional fees, independent fund managers and the purchase and sale of investments. Other costs of administration are paid for by the Plan Administrator.

(3) Investment Information

Participants may elect to have their accounts invested in one or more of the investment funds offered by the Plan. At December 31, 2009, investment funds offered by the Plan include the following nationally traded mutual funds: the Fidelity Growth Company Fund, the Fidelity Diversified International Fund, the PIMCO Total Return Fund, the Dodge & Cox Stock Fund, the Vanguard Small-Cap Index Fund, the Vanguard Mid-Cap Index Fund, the Dreyfus Limited Term High Yield Bond Fund and the JP Morgan US Large Cap Core Plus Fund. Investment funds offered by the Plan at December 31, 2009 also included the following commingled funds: BTC S&P 500 Index, JPM SmartRetirement Income, JPM SmartRetirement 2010, JPM SmartRetirement 2015, JPM SmartRetirement 2020, JPM SmartRetirement 2025, JPM SmartRetirement 2030, JPM SmartRetirement 2035, JPM SmartRetirement 2040, JPM SmartRetirement 2045 and JPM SmartRetirement 2050. The BTC S&P 500 Index Fund replaced the Spartan U.S. Equity Index Fund on January 2, 2008, the JPM SmartRetirement Funds replaced the Fidelity Freedom Funds on February 1, 2008, and the Dodge & Cox Stock Fund replaced the Fidelity Equity Income Fund on August 1, 2008.

HASBRO, INC. RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2009 and 2008

Edgar Filing: HASBRO INC - Form 11-K

Participants can elect to invest up to 25% of their contributions in the Hasbro Stock Fund which is a unitized stock fund that invests in the stock of Hasbro, Inc. and other short term investments designed to allow participants to buy and sell without the usual trade settlement period for individual stock transactions. Ownership is measured in units of the fund instead of shares of stock. In addition, participants cannot elect to reallocate their investment funds that would result in greater than 25% of their account invested in the Hasbro Stock Fund. The fair value of the cash and investments of the Hasbro Stock Fund was \$6,639,518 as of December 31, 2009 and \$4,873,876 as of December 31, 2008.

The Plan invests in fully benefit-responsive synthetic guaranteed investment contracts ("synthetic GICs") as part of offering the JP Morgan Stable Asset Fund investment option to participants. Participant contributions to this fund are primarily used to purchase units of commingled funds, which are invested in a high-quality fixed income portfolio.

The JP Morgan Stable Asset Fund enters into wrapper contracts with insurance companies which provide a guarantee with respect to the availability of funds to make distributions from this investment option. These contracts are carried at contract value in the participants' accounts. The issuer of the wrapper contracts is contractually obligated to repay the principal, as well as a specified interest rate that is set on a quarterly basis. There are no reserves against contract value for credit risk of the contract issuer or otherwise.

To the extent that the underlying portfolio has unrealized and/or realized losses, a positive adjustment is made when reconciling from fair value to contract value under contract value accounting. As a result, the future crediting rate may be lower over time than the current market rates. Similarly, if the underlying portfolio generates unrealized and/or realized gains, a negative adjustment is made when reconciling from fair value to contract value and, in the future, the crediting rate may be higher than the current market rates. The contracts cannot credit an interest rate that is less than zero percent.

The JP Morgan Stable Asset Fund and the wrapper contracts purchased by that fund are designed to pay all participants at contract value. However, certain events limit the ability of the Plan to transact at contract value. These events include but are not limited to premature termination of the contracts by the Plan or Plan termination. The Plan Sponsor has not expressed any intention to take either of these actions.

HASBRO, INC. RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2009 and 2008

Edgar Filing: HASBRO INC - Form 11-K

The synthetic guaranteed investment contracts in the JP Morgan Stable Asset Fund as of December 31, 2009 and 2008 are summarized below:

	Major Credit Rating -----	Investments at Fair Value -----	Wrapper Contracts at Fair Value -----	Adjustment to Contract Value -----
December 31, 2009				

Monumental Life Insurance Co.	AA-	\$ 26,805,660	-	(349,016)
ING Life Insurance and Annuity Co.	A+	26,805,580	-	(349,015)
		-----	-----	-----
All Contracts		\$ 53,611,240	-	(698,031)
		=====	=====	=====
December 31, 2008				

Monumental Life Insurance Co.	AA	\$ 24,352,256	50,989	1,018,426
ING Life Insurance and Annuity Co.	AA	24,352,236	50,989	1,018,426
		-----	-----	-----
All Contracts		\$ 48,704,492	101,978	2,036,852
		=====	=====	=====

Participant accounts in the JP Morgan Stable Asset Fund are credited with interest at a fixed rate that is based on an agreed-upon formula as defined in the contracts. The rate typically resets quarterly; however, the rate may reset more frequently under certain circumstances. The primary variables which could impact the future crediting rates include (1) the amount and timing of participant contributions, (2) transfers and withdrawals into/out of the contract, (3) the current yield of the assets underlying the contract, (4) the duration of the assets underlying the contract and (5) the existing difference between fair value of the securities and the contract value of the assets within the insurance contract. The crediting rate of security-backed contracts will track current market yields on a trailing basis. The rate reset allows the contract value to converge with the fair value of the underlying portfolio over time, assuming the portfolio continues to earn the current yield for a period of time equal to the current portfolio duration.

HASBRO, INC. RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2009 and 2008

The average yields earned by the entire JP Morgan Stable Asset Fund for the years ended December 31, 2009 and 2008 were 4.17% and 6.67%, respectively.

Edgar Filing: HASBRO INC - Form 11-K

The average yields earned by the JP Morgan Stable Asset Fund, adjusted to reflect the actual interest rate credited to participants in the fund, for the years ended December 31, 2009 and 2008 were 3.35% and 4.33%, respectively.

In addition to the JP Morgan Stable Asset Fund described above, the following table represents the carrying value of other investments which were 5% or more of the Plan's net assets as of December 31, 2009 and December 31, 2008:

	2009 -----	2008 -----
Fidelity Growth Company Fund	\$45,432,920	29,713,208
BTC S&P 500 Index	34,447,034	26,913,608
Fidelity Diversified International Fund	29,013,866	19,925,879
PIMCO Total Return Fund	27,241,809	19,874,282
Dodge & Cox Stock Fund	26,400,841	19,853,552

During 2009 and 2008, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value by \$54,161,582 and \$(98,045,208), respectively, as follows:

	Year Ended December 31,	
	2009 -----	2008 -----
Shares in registered investment companies	\$ 34,946,908	(70,920,497)
Units in common collective trusts	18,290,703	(27,658,855)
Hasbro Stock Fund	923,971	534,144
	-----	-----
	\$ 54,161,582	(98,045,208)
	=====	=====

(4) Related Party Transactions

Certain Plan investments are shares of mutual funds managed by Fidelity Management and Research Company, an affiliate of the Trustee, and, therefore, qualify as party-in-interest transactions. Additionally, the Plan holds investments in shares of Hasbro, Inc. common stock. The Plan had 195,937 and 159,026 shares of Hasbro, Inc. common stock valued at \$6,281,740 and \$4,638,788, respectively, as of December 31, 2009 and 2008. These transactions qualify as exempt party-in-interest transactions.

HASBRO, INC. RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2009 and 2008

(5) Plan Termination

Upon termination of the Plan and trust, each Participant shall be entitled to receive the vested amount standing to the credit of their account as of the final valuation date. The Trustee shall make payments of such amounts

Edgar Filing: HASBRO INC - Form 11-K

as directed by the Plan Administrator.

Although the Company has not expressed any intent to do so, it reserves the right to terminate the Plan at any time subject to ERISA provisions.

(6) Risks and Uncertainties

The Plan provides for investments in various funds, which invest in equity and debt securities and other investments. Such investments are exposed to risks and uncertainties, such as interest rate risk, credit risk, economic and political risks, regulatory changes, and foreign currency risk. In addition, participants may elect to invest up to 25% of their contributions in the Hasbro Stock Fund. The underlying performance of this fund is dependent upon the performance of the Company and the market's evaluation of such performance. The Plan's exposure to a concentration of credit risk is subject to the Plan's investment funds selected by participants. These risks and uncertainties could impact participants' account balances and the amounts reported in the financial statements.

(7) Federal Income Taxes

The Internal Revenue Service issued a determination letter on January 21, 2003, which stated that the Plan and its underlying trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC), and therefore, are exempt from federal income taxes. Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

(8) Fair Value Measurements

The Plan measures certain assets at fair value. The fair value hierarchy consists of three levels: Level 1 fair values are valuations based on quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access; Level 2 fair values are those valuations based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities; and Level 3 fair values are valuations based on inputs that are supported by little or no market

HASBRO, INC. RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2009 and 2008

activity and that are significant to the fair value of the assets or liabilities.

The Plan had the following assets measured at fair value in its Statements of Net Assets Available for Plan Benefits:

Fair Value Measurements Using:

Quoted

Edgar Filing: HASBRO INC - Form 11-K

	Fair Value	Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	-----	-----	-----	-----
December 31, 2009				

Investments				

Hasbro, Inc.				
Common Stock	\$ 6,281,740	6,281,740	-	-
Mutual Funds	158,152,289	158,152,289	-	-
Commingled Funds	85,424,842	-	85,424,842	-
Synthetic GICs:				
Cash and Cash Equivalents	12,094	12,094	-	-
U.S. Treasury Bonds	258,216	258,216	-	-
Commingled Funds	53,340,930	-	53,340,930	-
Total Synthetic GICs	53,611,240	270,310	53,340,930	-
Total Investments	\$303,470,111	164,704,339	138,765,772	-
	=====	=====	=====	=====

HASBRO, INC. RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2009 and 2008

December 31, 2008				

Investments				

Hasbro, Inc.				
Common Stock	\$ 4,638,788	4,638,788	-	-
Mutual Funds	106,834,748	106,834,748	-	-
Commingled Funds	62,685,926	-	62,685,926	-
Synthetic GICs:				

Edgar Filing: HASBRO INC - Form 11-K

Cash and Cash				
Equivalents	30,236	30,236	-	-
U.S. Treasury Bonds	263,895	263,895	-	-
Commingled Funds	48,410,361	-	48,410,361	-
Wrapper Contracts	101,978	-	-	101,978
	-----	-----	-----	-----
Total Synthetic				
GICs	48,806,470	294,131	48,410,361	101,978
	-----	-----	-----	-----
Total Investments	\$222,965,932	111,767,667	111,096,287	101,978
	=====	=====	=====	=====

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Hasbro, Inc. Common Stock: Valued at the composite closing price reported on the New York Stock Exchange.

Mutual Funds: Valued at the net asset value ("NAV") of shares held by the plan at year-end.

Commingled Funds: Valued using the NAV which is quoted on a private market that is not active; however, the unit price is based on underlying investments which are traded on an active market.

U.S. Treasury Bonds: Valued at the closing price reported in the active market in which the individual security is traded.

HASBRO, INC. RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2009 and 2008

Synthetic Guaranteed Investment Contracts: The synthetic GICs are comprised of wrapper contracts and underlying investments as detailed in the table above and described in Note 3. The fair value of the wrapper contracts represents the difference between the replacement cost and actual cost of the contracts and is calculated using a discounted cash flow model which considers recent fee bids as determined by recognized dealers, an appropriate discount rate and the duration of the underlying portfolio securities. These inputs are considered unobservable inputs in that they reflect the Plan's own assumptions about the inputs that market participants would use in pricing the asset or liability. The Plan believes that this is the best information available for use in the fair value measurement. The underlying assets are valued as described above.

The following is a reconciliation of the beginning and ending balances of the fair value measurements of the wrapper contracts which use significant unobservable inputs (Level 3):

Edgar Filing: HASBRO INC - Form 11-K

	2009	2008
	-----	-----
Beginning Balance	\$ 101,978	-
Unrealized gains (losses)	(101,978)	101,978
Ending Balance	\$ -	101,978
	=====	=====

(9) Reconciliation to Form 5500

The accompanying financial statements are presented on the accrual basis of accounting and include certain accrued administrative expenses and employer contributions receivable which are not accrued on the Form 5500.

The following is a reconciliation of net assets available for plan benefits per the financial statements to the Form 5500 at December 31, 2009 and 2008.

	2009	2008
	-----	-----
Per financial statements	\$ 319,850,291	242,597,730
Employer contributions receivable	(9,023,176)	(9,213,459)
Accrued administrative expenses	100,967	112,171
Adjustment from contract value to fair value for fully-benefit responsive investment contracts	698,031	(2,036,852)
Per Form 5500	\$ 311,626,113	231,459,590
	=====	=====

HASBRO, INC. RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2009 and 2008

The following is a reconciliation of the change in net assets available for plan benefits per the financial statements to the Form 5500 at December 31, 2009 and 2008.

	2009	2008
	-----	-----
Per financial statements	\$ 77,252,561	(79,584,380)
Prior year employer contributions receivable	9,213,459	-
Prior year accrued administrative expenses	(112,171)	-
Prior year adjustment from contract value to fair value for fully-benefit responsive investment contracts	2,036,852	-
Current year employer contributions receivable	(9,023,176)	(9,213,459)
Current year accrued administrative expenses	100,967	112,171
Current year adjustment from contract value to fair value for fully-benefit responsive investment contracts	698,031	(2,036,852)
Per Form 5500	\$ 80,166,523	(90,722,520)
	=====	=====

Edgar Filing: HASBRO INC - Form 11-K

HASBRO, INC. RETIREMENT SAVINGS PLAN

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

Year ended December 31, 2009

Issuer -----	Investment Description -----	Fair Value -----
Mutual Funds -----		
Fidelity Growth Company Fund*	658,639 shares in registered investment company	\$ 45,432,920 **
Fidelity Diversified International Fund*	1,036,210 shares in registered investment company	29,013,866 **
PIMCO Total Return Fund	2,522,390 shares in registered investment company	27,241,809 **
Dodge & Cox Stock Fund	274,608 shares in registered investment company	26,400,841 **
Vanguard Small-Cap Index Fund	444,134 shares in registered investment company	12,213,677
Vanguard Mid-Cap Index Fund	666,366 shares in registered investment company	10,928,398
Dreyfus Limited Term High Yield Bond Fund	585,365 shares in registered investment company	3,799,021
JPMorgan US Large Cap Core Plus Fund	171,714 shares in registered investment company	3,121,757
Commingled Funds -----		
BTC S&P 500 Index	929,494 units in common collective trust	34,447,034 **
JPM SmartRetirement 2020	913,047 units in common collective trust	10,728,298
JPM SmartRetirement 2030	701,743 units in common collective trust	8,006,890
JPM SmartRetirement 2025	553,942 units in common collective trust	7,982,302
JPM SmartRetirement 2015	661,359 units in common	7,678,377

Edgar Filing: HASBRO INC - Form 11-K

collective trust

JPM SmartRetirement 2035	460,945 units in common collective trust	6,407,133
JPM SmartRetirement 2010	318,863 units in common collective trust	3,727,513
JPM SmartRetirement 2040	308,218 units in common collective trust	3,501,351
JPM SmartRetirement 2045	105,390 units in common collective trust	1,447,002
JPM SmartRetirement Income	103,640 units in common collective trust	1,194,966
JPM SmartRetirement 2050	23,419 units in common collective trust	303,976
Synthetic Guaranteed Investment Contracts -----		
Cash and Cash Equivalents		12,094
Wrapper Contracts:		
Monumental Life Insurance Co.	Wrapper contract	-
ING Life Insurance and Annuity Co.	Wrapper contract	-
Commingled Funds:		
JPMCB Intermediate Bond Fund	4,248,710 units in common collective trust	53,193,843 **
JPMCB Liquidity Fund	147,087 units in common collective trust	147,087
U.S. Treasury Bonds:		
U.S. Treasury N/B Security ID: 912828JJ	160,000 par; 2.375% interest; Maturity date: 08/31/2010	162,119
U.S. Treasury N/B Security ID: 912828JL	85,000 par; 2.000% interest; Maturity date: 09/30/2010	86,009
U.S. Treasury N/B Security ID: 912828JP	10,000 par; 1.500% interest; Maturity date: 10/31/2010	10,088

Edgar Filing: HASBRO INC - Form 11-K

Common Stock

Hasbro Stock Fund *	195,937 shares of Hasbro, Inc. common stock	6,281,740
---------------------	--	-----------

Cash and Cash Equivalents

Fidelity STIF *	Cash equivalents	1,851,227
-----------------	------------------	-----------

Hasbro Stock Fund *	Cash	357,778
---------------------	------	---------

Investments and Cash		\$ 305,679,116
		=====

Loans to Participants*	887 loans with interest rates from 3.25% to 8.25% and maturity dates from 2010 to 2019	\$ 6,134,693
		=====

*Party-in-interest

**Represents greater than 5% of Plan assets at December 31, 2009.

See accompanying report of independent registered public accounting firm.