

NORDSON CORP
Form 11-K
June 17, 2010

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 11-K**

(Mark one)

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the fiscal year ended December 31, 2009

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

For the transition period from _____ to _____

Commission file number _____

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

NORDSON HOURLY-RATED EMPLOYEES SAVINGS TRUST PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Nordson Corporation, 28601 Clemens Road, Westlake, Ohio 44145

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Retirement Committee and Participants
Nordson Hourly-Rated Employees Savings Trust Plan
Westlake, Ohio

We have audited the accompanying Statement of Net Assets Available for Benefits of the NORDSON HOURLY-RATED EMPLOYEES SAVINGS TRUST PLAN and the related Statement of Changes in Net Assets Available for Benefits for the years ended December 31, 2009 and 2008. 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. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. 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 benefits of Nordson Hourly-Rated Employees Savings Trust Plan as of December 31, 2009 and 2008, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets held for investment purposes as of December 31, 2009, is presented for the purpose of additional analysis and is not a required part of the 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 information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ MEADEN & MOORE, LTD.

Certified Public Accountants

June 17, 2010

Cleveland, Ohio

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STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
 Nordson
 Hourly-Rated Employees Savings Trust Plan

	December 31	
	2009	2008
ASSETS		
Receivables:		
Employer contributions	\$ 2,930	\$
Employee contributions	10,996	
Dividends	11,777	12,059
Total Receivables	25,703	12,059
Investments:		
Nordson Corporation common stock	3,637,702	2,133,529
Hartford Life GA #2374-A, 3.5%	3,547,695	3,427,725
Mainstay S&P 500 Index Fund I	1,200,549	909,045
Mainstay Large Cap Growth I	972,860	684,702
KeyBank NA Managed Guaranteed Investment Contract Fund	1,194,985	1,825,973
MFS Intl New Discovery A	906,572	570,540
Baron Small Cap Fund	407,131	306,552
Mainstay Balanced Fund I	378,343	297,855
Mainstay Cash Reserves Fund I	497,338	483,663
PIMCO Total Return Fund (Admin)	589,839	346,198
Hartford Life GA #2374-B, 3.5%	288,676	319,125
Allianz NFJ Dividend Value A	64,398	27,571
Participant Loans	705,387	707,131
Total Investments	14,391,475	12,039,609
TOTAL ASSETS	14,417,178	12,051,668
LIABILITIES		
Net Assets Available for Benefits at Fair Value	14,417,178	12,051,668
Adjustment from fair value to contract value for fully benefit-responsive contracts	5,150	96,060
NET ASSETS AVAILABLE FOR BENEFITS	\$ 14,422,328	\$ 12,147,728

See accompanying notes.

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STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 Nordson
 Hourly-Rated Employees Savings Trust Plan

	Year Ended December 31	
	2009	2008
Additions to Net Assets Attributed to:		
Contributions:		
Employer	\$ 134,035	\$ 150,212
Employee	371,336	416,448
Total Contributions	505,371	566,660
Investment Income/(Loss):		
Interest and dividend income	281,214	365,841
Net unrealized/realized appreciation (depreciation)	2,791,969	(3,202,905)
Net Investment Income/(Loss)	3,073,183	(2,837,064)
Deductions from Net Assets Attributed to:		
Benefits paid to participants	1,322,039	825,984
Total Deductions	1,322,039	825,984
Net Increase (Decrease)	2,256,515	(3,096,388)
Transfer from another plan: Nordson Corporation Union Employees Stock Ownership Plan	18,085	23,853
Net Assets Available for Benefits:		
Beginning of Year	12,147,728	15,220,263
End of Year	\$ 14,422,328	\$ 12,147,728

See accompanying notes.

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NOTES TO FINANCIAL STATEMENTS

Nordson

Hourly-Rated Employees Savings Trust Plan

1 Description of Plan

The following description of The Nordson Hourly-Rated Employees Savings Trust Plan provides only general information. Participants should refer to the Plan document for a complete description of the Plan's provisions.

General:

The Plan, which began April 16, 1962, is a defined contribution plan covering certain hourly employees of Nordson Corporation (the Company) covered by a collective bargaining agreement. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility:

All hourly-rated, full time domestic employees of the Company who are covered by a collective bargaining agreement are eligible to participate in the Plan after completion of 90 days of service. Effective January 1, 2009, new employees become active participants in the Plan effective beginning with the first payroll period 90 days after completion of one hour of service.

Contributions:

Pre-tax employee contribution Participants may elect between 1% and 16% of their compensation to be contributed to the Plan by the Company.

Post tax employee contribution Participants may elect between 1% and 16% of their compensation to be contributed to the Plan by the Company.

Employer Contributions The Company makes contributions equal to 50% of each participant's contributions which were attributable to the first 6% of compensation, subject to Plan restrictions.

The Company may also make additional discretionary contributions, if authorized by its Board of Directors.

Rollover contributions from other Plans are also accepted, providing certain specified conditions are met.

Contributions are subject to limitations on annual additions and other limitations imposed by the Internal Revenue Code as defined in the Plan agreement.

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NOTES TO FINANCIAL STATEMENTS

Nordson

Hourly-Rated Employees Savings Trust Plan

1 Description of Plan, Continued

Participants Accounts:

A separate account in each fund is maintained for each participant. The account balances for participants are adjusted periodically, as follows:

- a) As of the date with respect to which the contribution was earned.
- b) Daily for a pro rata share of each respective Fund's net investment income, determined by the percentage increase or decrease in the value of the Fund using a synthetic net asset value approach.
- c) Annually for a pro rata share of forfeitures, determined by the ratio that each active participant's percentage of regular contribution (1 to 3%) for the Plan year bears to the aggregate percentage of employee's regular contributions for such Plan year of all active participants. However, no forfeitures of a participant's account shall be allocated prior to the earlier of a five year period commencing from the date on which the participant's employment was terminated or upon the participant requesting distribution.

Vesting:

Participants are fully vested in all employee contributions and rollover contributions and the related gains and losses. Participants vest in employer contributions (adjusted for gains and losses) 33 1/3% for each year of service.

Forfeitures:

Forfeitures due to termination from the Plan before a participant is 100% vested shall be allocated to remaining participants. Forfeitures for the years ended December 31, 2009 and 2008 were \$18 and \$1,253, respectively.

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NOTES TO FINANCIAL STATEMENTS

Nordson

Hourly-Rated Employees Savings Trust Plan

1 Description of Plan, Continued

Participants Loans:

Loans are permitted under certain circumstances and are subject to limitations. Participants may borrow from their fund accounts up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. Loans are repaid over a period not to exceed 5 years with exceptions for the purchase of a primary residence.

The loans are secured by the balance in the participant's account and bear interest at rates established by the Company. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits:

Upon retirement after age 55, or death or disability if earlier, the balance in the separate account is paid to the participant or his beneficiaries either in a lump sum or in installments. Until distribution, each account shall participate in the allocation of earnings and appreciation of assets.

If the employment of a participant is terminated for any cause other than death or total disability prior to the attainment of the age of 55 years, any distribution will be based on the number of years the participant participated in the Plan. The portion of the account to be distributed will be equal to all the employee's contributions and related earnings, plus 33 1/3% of the remainder of the balance (the employer's matching contribution, forfeitures and related earnings) in the separate account for each full year of participation in the Plan up to 100%. Any portion not distributed shall be forfeited.

Investment Options:

Each participant may direct that all of his contributions and, when the participant is fully vested or attains age 55, all matching employer contributions, be invested jointly in 10% increments in any of the investment funds offered by the Plan. For participants not fully vested and less than 55 years old, all Company matching contributions are deposited in the Nordson Match Stock Fund. A participant who has completed at least three years of service may elect to have his separate account which is attributable to employer matching contributions and which is invested in the Nordson Match Stock Fund transferred to any other investment option.

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NOTES TO FINANCIAL STATEMENTS

Nordson

Hourly-Rated Employees Savings Trust Plan

2 Summary of Significant Accounting Policies

Basis of Accounting:

The Plan's transactions are reported on the accrual basis of accounting.

Investment Valuation:

Investments in equity and debt securities, traded on a national exchange, and mutual funds are valued at the market price on the last business day of the Plan year. Securities traded in the over-the-counter market are valued at the mean between the last reported bid and ask prices. Deposits under group annuity contracts are valued at the fair value as reported by the insurance companies. Guaranteed investment contracts are valued at contract value which represents contributions and reinvested income, less any withdrawals plus accrued interest, because these investments have fully benefit-responsive features. Participant loans are valued at amortized cost, which approximates fair value.

As described in current accounting guidance, investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. As required by U.S. GAAP, the Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The fair value is based on various valuation approaches dependent on the underlying investments of the contract.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Interest is calculated and paid using money market interest rates on late transfers of money between the various funds. This is done to record the proper investment earnings within each fund.

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NOTES TO FINANCIAL STATEMENTS

Nordson

Hourly-Rated Employees Savings Trust Plan

2 Summary of Significant Accounting Policies, Continued

Subsequent Accounting Pronouncements:

In January 2010, the FASB issued Accounting Standard Update 2010-06, which will require additional disclosures related to fair value measurements. The additional disclosures will include a separate disclosure of the amount of significant transfers in and out of Level 1 and 2, including a description of the reason for the transfer. In addition, for the reconciliation of activity in Level 3 measurements, information about purchases, sales, issuances and settlements will need to be reported on a gross basis, rather than as one net number. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The guidance will only affect footnote disclosures and will not have an impact on the financial statements.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Plan Termination:

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

Risks and Uncertainties:

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

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Nordson

Hourly-Rated Employees Savings Trust Plan

3 Tax Status

On December 12, 2003, the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended, however, the Plan Administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, the Plan's administrator and tax counsel believe that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

4 Fair Value Measurements

Effective January 1, 2008, the Plan adopted the accounting standard regarding fair value measurements. This standard defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be reported at fair value, the Plan considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

The standard also establishes a fair value hierarchy that requires the Plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The standard establishes three levels of inputs that may be used to measure fair value:

- * Level 1: quoted prices in active markets for identical assets or liabilities;

- * Level 2: inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities;

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability;

- * Level 3: unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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NOTES TO FINANCIAL STATEMENTS

Nordson

Hourly-Rated Employees Savings Trust Plan

4 Fair Value Measurements, Continued

The following is a description of the valuation methodologies used to measure fair value of assets held in the Plan:

Mutual funds: The mutual funds are public investment vehicles valued using the net asset value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund. The NAV is a quoted price in an active market; thus the mutual funds are classified within Level 1 of the hierarchy.

Money market funds: The money market fund is a public investment vehicle that is valued with a NAV of \$1. This NAV is a quoted price in an active market and is classified within Level 1 of the hierarchy.

Common/collective funds: The Key Bank EB Managed Guaranteed Investment Contract Fund is a public investment vehicle valued using the NAV provided by Key Bank, the administrator of the fund. The NAV is based on the value of the assets owned by the Plan, less liabilities. This investment is not quoted on an active market. The value of the assets held by the Plan is based on Level 2 inputs: quoted prices for similar investments, present-value calculations, etc. Therefore this investment is classified within Level 2 of the hierarchy.

Nordson Corporation stock: The stock is valued at the closing price reported on the NASDAQ stock exchange and is classified within Level 1 of the hierarchy.

Investment contracts: These are investments in group annuity contracts with Hartford Life which guarantee a fixed interest rate each year. The assets are valued at the fair value as reported by Hartford Life. This value is the sum of amounts invested, less withdrawals, plus interest computed at the guaranteed interest rate. These contracts do not hold any specific assets. These investments are classified within Level 3 of the hierarchy.

Participant loans: These loans are valued at amortized cost, which approximates fair value. These investments are classified within Level 3 of the hierarchy.

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NOTES TO FINANCIAL STATEMENTS

Nordson

Hourly-Rated Employees Savings Trust Plan

4 Fair Value Measurements, Continued

Investments measured at fair value on a recurring basis consisted of the following types of instruments as of December 31, 2009:

	Fair Value Measurements Using Input Type:			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 497,338	\$	\$	\$ 497,338
Mutual funds:				
Growth Funds	2,286,564			2,286,564
Blend Fund	1,200,549			1,200,549
Bond Fund	589,839			589,839
Allocation Fund	378,343			378,343
Value Fund	64,397			64,397
Common/collective funds		1,194,985		1,194,985
Investment contracts			3,836,371	3,836,371
Nordson Corporation stock	3,637,702			3,637,702
Participant loans			705,387	705,387
Total investments at fair value	\$ 8,654,732	\$ 1,194,985	\$ 4,541,758	\$ 14,391,475

Investments measured at fair value on a recurring basis consisted of the following types of instruments as of December 31, 2008:

	Fair Value Measurements Using Input Type:			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 483,663	\$	\$	\$ 483,663
Mutual funds:				
Growth Funds	1,561,793			1,561,793
Blend Fund	909,044			909,044
Bond Fund	346,198			346,198
Allocation Fund	297,855			297,855
Value Fund	27,572			27,572
Common/collective funds		1,825,973		1,825,973
Investment contracts			3,746,850	3,746,850
Nordson Corporation stock	2,133,529			2,133,529
Participant loans			707,131	707,131
Total investments at fair value	\$ 5,759,654	\$ 1,825,973	\$ 4,453,981	\$ 12,039,608

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NOTES TO FINANCIAL STATEMENTS

Nordson

Hourly-Rated Employees Savings Trust Plan

4 Fair Value Measurements, Continued

The table below sets forth the changes in fair value of the Plan's Level 3 assets for the year ended December 31, 2009:

	Investment Contracts	Participant Loans	Total
Balance, beginning of year	\$ 3,746,850	\$ 707,131	\$ 4,453,981
Gains and losses included in the statement of changes in net assets:			
Interest and dividend income	130,166		130,166
Purchases, sales, issuances and settlements	(40,645)	(1,744)	(42,389)
Balance, end of year	\$ 3,836,371	\$ 705,387	\$ 4,541,758

The table below sets forth the changes in fair value of the Plan's Level 3 assets for the year ended December 31, 2008:

	Investment Contracts	Participant Loans	Total
Balance, beginning of year	\$ 3,606,384	\$ 769,842	\$ 4,376,226
Gains and losses included in the statement of changes in net assets:			
Interest and dividend income	145,837		145,837
Purchases, sales, issuances and settlements	(5,371)	(62,711)	(68,082)
Balance, end of year	\$ 3,746,850	\$ 707,131	\$ 4,453,981

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NOTES TO FINANCIAL STATEMENTS

Nordson

Hourly-Rated Employees Savings Trust Plan

5 Investments

The Plan's funds are invested in the common stock of the Company, mutual funds, and guaranteed investment contracts. Investments which constitute more than 5% of the Plan's net assets are:

	2009	2008
Nordson Corporation common stock	\$3,637,702	\$2,133,529
Hartford Life GA #2374-A, 3.5%	\$3,552,845	\$3,427,725
Mainstay S&P 500 Index Fund I	\$1,200,549	\$ 909,045
Mainstay Large Cap Growth I	\$ 972,860	\$ 684,702
KeyBank NA Managed Guaranteed Investment Contract Fund	\$1,200,135	\$1,922,033
MFS Intl New Discovery A	\$ 906,572	NA
Participant Loans	NA	\$ 707,131

During 2009 and 2008, the Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in value as follows:

	2009	2008
Mutual funds	\$ 948,090	\$(1,885,702)
Common/collective funds	47,661	78,698
Nordson Corporation common stock	1,796,218	(1,395,901)
Net appreciation (depreciation) in fair value of investments	\$ 2,791,969	\$(3,202,905)

6 Guaranteed Investment Contracts

Guaranteed investment contracts are valued at contract value because the investments are fully benefit-responsive. For example, participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. However, withdrawals influenced by Company-initiated events, such as in connection with the sale of a business, may result in distributions at other than contract value. There are no reserves against contract value for credit risk of contract issuers or otherwise. The fair value of the investment contracts at December 31, 2009 and 2008 was \$1,194,985 and \$1,825,973. The average yield was approximately 2.87% for 2009 and 3.93% for 2008 and the crediting interest rate was approximately 2.78% for 2009 and 3.71% for 2008. The crediting rate for this investment contract is reset annually by the issuer but cannot be less than zero.

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Nordson

Hourly-Rated Employees Savings Trust Plan

7 Nonparticipant-Directed Investments

Information about the net assets and the significant components of changes in net assets related to nonparticipant-directed investments, which are included within the Nordson Corporation Stock Fund and the Mainstay Cash Reserves Fund I, is as follows:

	2009	2008
Nordson Match Stock Fund		
Net Assets:		
Nordson Corporation common stock	\$ 424,302	\$ 262,957
Mainstay Cash Reserves Fund I	22,750	10,890
Dividend receivable	1,374	1,486
	\$ 448,426	\$ 275,333
Changes in Net Assets:		
Contributions	\$ 2,301	\$ 7,534
Interest and dividend income	5,486	5,289
Net realized and unrealized gains (losses)	218,902	(199,524)
Distributions to participants	(48,727)	(14,910)
Net transfers to participant-directed funds	(4,869)	(20,593)
	\$ 173,093	\$ (222,204)

8 Party-in-Interest Transactions

Certain legal, accounting and administrative expenses are paid by the Company.

9 Diversification

An employee who has participated under the Nordson Corporation Union Employees Stock Ownership Plan for ten or more years and who has attained age 55 may elect, within the 90 day election period following the close of each Plan year during his qualified period, to transfer up to 25% of the aggregate balance of his separate account from the Nordson Corporation Union Employees Stock Ownership Plan to the Nordson Hourly-Rated Employees Savings Trust Plan. For the last Plan year in his qualified period, he may elect to transfer up to 50% of the aggregate balance of his separate account. The qualified period is the six Plan year period beginning with the Plan year following the Plan year in which the participant attains age 55 or completes ten years as a participant, whichever is later.

10 Subsequent Event