

NORTHROP GRUMMAN CORP /DE/
Form 11-K
June 14, 2016

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, 2015
OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to .
Commission file number: 1-16411

A. Full title of the plan and address of the plan, if different from that of the issuer named below:
NORTHROP GRUMMAN FINANCIAL
SECURITY AND SAVINGS PROGRAM

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:
NORTHROP GRUMMAN CORPORATION
2980 Fairview Park Drive
Falls Church, Virginia 22042

Northrop Grumman Financial
Security and Savings Program
Financial Statements as of December 31, 2015 and 2014,
and for the Year Ended December 31, 2015,
Supplemental Schedule as of December 31, 2015,
and Report of Independent Registered Public Accounting Firm

NORTHROP GRUMMAN FINANCIAL SECURITY AND SAVINGS PROGRAM
TABLE OF CONTENTS

	Page(s)
<u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>1</u>
<u>FINANCIAL STATEMENTS</u>	
<u>Statements of Net Assets Available for Benefits as of December 31, 2015 and 2014</u>	<u>2</u>
<u>Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2015</u>	<u>3</u>
<u>Notes to Financial Statements as of December 31, 2015 and 2014, and for the year ended December 31, 2015</u>	<u>4</u>
<u>SUPPLEMENTAL SCHEDULE</u>	
<u>Form 5500, Schedule H, Part IV, Line 4i, Schedule of Assets (Held at End of Year) as of December 31, 2015</u>	<u>14</u>
<u>SIGNATURE</u>	<u>15</u>
<u>EXHIBIT INDEX</u>	<u>16</u>

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Benefit Plans Administrative Committee and Participants of
Northrop Grumman Financial Security and Savings Program
Falls Church, VA

We have audited the accompanying statements of net assets available for benefits of the Northrop Grumman Financial Security and Savings Program (the "Plan") as of December 31, 2015 and 2014, and the related statement of changes in net assets available for benefits for the year ended December 31, 2015. 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 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. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2015 and 2014, and the changes in net assets available for benefits for the year ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the financial statements, in 2015 the Plan adopted Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2015-07, Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), Fair Value Measurement (Topic 820) and ASU 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures. These ASU's were applied retrospectively to the 2014 period presented in the financial statements.

The supplemental schedule of assets (held at end of year) as of December 31, 2015 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, such schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ DELOITTE & TOUCHE LLP
McLean, VA
June 13, 2016

NORTHROP GRUMMAN FINANCIAL SECURITY AND SAVINGS PROGRAM

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

\$ in thousands	December 31 2015			2014		
	Retiremen Account (1)	Savings Account (2)	Total	Retiremen Account (1)	Savings Account (2)	Total
Assets:						
Investments:						
Investment in Northrop Grumman Defined Contribution Plans Master Trust (Note 3)	\$205,624	\$332,459	\$538,083	\$220,666	\$348,260	\$568,926
Short-term investment-at fair value	—	4,112	4,112	—	4,387	4,387
Total investments	205,624	336,571	542,195	220,666	352,647	573,313
Notes receivable from participants	—	2,668	2,668	—	2,897	2,897
Total assets	205,624	339,239	544,863	220,666	355,544	576,210
Liabilities:						
Due to Northrop Grumman Retirement Plan "B"	809	—	809	—	—	—
Accrued expenses	14	67	81	15	39	54
Total liabilities	823	67	890	15	39	54
Net assets available for benefits	\$204,801	\$339,172	\$543,973	\$220,651	\$355,505	\$576,156

(1) Non-participant directed

(2) Participant directed

See notes to financial statements.

NORTHROP GRUMMAN FINANCIAL SECURITY AND SAVINGS PROGRAM

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

\$ in thousands	Year Ended December		
	31, 2015		
	Retirement	Savings	Total
	Account	Account	
	(1)	(2)	
Additions:			
Investment Income:			
Plan interest in the Northrop Grumman Defined Contribution Plans Master Trust	\$1,575	\$ 4,853	\$6,428
Interest income from short-term investment	—	1	1
Interest income on notes receivable from participants	—	112	112
Total additions	1,575	4,966	6,541
Deductions:			
Benefits paid to participants	8,992	20,534	29,526
Other expenses	254	765	1,019
Total deductions			