

UNITED SECURITY BANCSHARES

Form 11-K

June 26, 2018

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 year ended December 31, 2017

or

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

For the transition period from _____ to _____

Commission file number 333-100078

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

UNITED SECURITY BANK 401K CASH or DEFERRED STOCK OWNERSHIP PLAN

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

United Security Bank
2126 Inyo Street
Fresno, California, 93721

United Security Bank 401K Cash or Deferred Stock Ownership Plan

Financial Statements and Supplemental Information

December 31, 2017 and 2016

with Report of Independent Registered Public Accounting Firm

Form 11-K

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Report of Independent Registered Public Accounting Firm

To the Plan Administrator and Participants of
United Security Bank 401K Cash or Deferred Stock Ownership Plan

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for benefits of the United Security Bank 401K Cash or Deferred Stock Ownership Plan (the "Plan") as of December 31, 2017 and 2016, the related statement of changes in net assets available for benefits for the year ended December 31, 2017, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2017 and 2016, and the changes in net assets available for benefits for the year ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on the Plan's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting 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.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Opinion on the Supplemental Information

The supplemental information included in Schedule H, line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2017 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information 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 information. In forming our opinion on the supplemental information in the accompanying schedule, we evaluated whether the supplemental information, including its form and content, is presented in conformity with DOL's Rules and Regulations for Reporting and Disclosure under ERISA. In our opinion, the supplemental information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Moss Adams LLP
Albuquerque, NM
June 26, 2018

We have served as the Plan's auditor since 2010.

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United Security Bank
 401K Cash or Deferred Stock Ownership Plan
 Statements of Net Assets Available for Benefits
 December 31, 2017 and 2016

| | 2017 | 2016 |
|--|--------------------|--------------------|
| ASSETS | | |
| Investments (at fair value): | | |
| Self-directed Brokerage | \$ 197,992 | \$ 101,091 |
| Common stock of United Security Bancshares | 4,208,765 | 3,137,185 |
| Mutual Funds and Other Common Stock | 4,876,762 | 4,053,555 |
| Notes receivable from participants | 112,672 | 104,898 |
| Participant contributions receivable | 15,628 | 296 |
| Employer contributions receivable | 256,256 | 269,070 |
| NET ASSETS AVAILABLE FOR BENEFITS | \$9,668,075 | \$7,666,095 |

See notes to financial statements

| | |
|---|-------------|
| United Security Bank | |
| 401K Cash or Deferred Stock Ownership Plan | |
| Statement of Changes in Net Assets Available for Benefits | |
| For the Year Ended December 31, 2017 | |
| | 2017 |
| ADDITIONS TO NET ASSETS ATTRIBUTED TO: | |
| Investment income | |
| Net appreciation in fair value of investments | \$1,814,436 |
| Dividends and interest | 196,873 |
| Net investment income | 2,011,309 |
| Interest income on notes receivable from participants | 4,869 |
| Contributions | |
| Participant | 455,618 |
| Employer | 256,256 |
| Rollover | 44,042 |
| | 755,916 |
| Total additions | 2,772,094 |
| DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO: | |
| Benefits paid to participants | (702,761) |
| Administrative expenses | (67,353) |
| Total deductions | (770,114) |
| CHANGE IN NET ASSETS | 2,001,980 |
| NET ASSETS AVAILABLE FOR BENEFITS, beginning of year | \$7,666,095 |
| NET ASSETS AVAILABLE FOR BENEFITS, end of year | \$9,668,075 |
| See notes to financial statements | |

United Security Bank
401K Cash or Deferred Stock Ownership Plan
Notes to Financial Statements
December 31, 2017 and 2016

NOTE 1 – DESCRIPTION OF PLAN

The following brief description of the United Security Bank 401K Cash or Deferred Stock Ownership Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The primary purpose of the United Security Bank 401K Cash or Deferred Stock Ownership Plan (the Plan) is to provide employees of United Security Bank (the Company) the opportunity to accumulate funds for their retirement. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility

The Plan is a defined contribution plan covering all regular part-time or full-time employees of the Company. Employees may participate in the voluntary salary deferral feature of the Plan after completing three (3) months of service. Employees will be eligible to receive employer Safe Harbor contributions after completing three (3) months of eligible service. To be eligible for discretionary matching contributions employees must attain age 21, must complete one (1) year of service, must complete at least 1,000 hours of service during the Plan year, and be employed by the Company on the last day of the Plan year. The Board of Directors may elect to make discretionary match contributions in place of Safe Harbor contributions. Enrollment periods are on the first day of the calendar month following the time an employee has met the eligibility criteria specified above.

Administration

The Plan is administered by the Company. Administrative expenses are mostly paid by the Company, except for expenses incurred at the participant level which are charged against the participant's individual accounts.

Participant accounts

Each participant's account is credited with the participant's contribution and allocations of the Company's contributions, and Plan earnings. The amount to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Participant contributions

Participants may contribute to the Plan a percentage or a specific dollar amount of their annual wages, not to exceed certain dollar limitations determined annually by the Internal Revenue Service. Deferrals to the Plan may be made as normal 401(k) contributions or on an after-tax-basis as Roth contributions. The sum of regular pre-tax 401(k) and Roth contributions may not exceed the annual limit allowed on regular 401(k) contributions. Participants may elect to change their election to contribute to the Plan on the dates established pursuant to the Plan Administrator procedures. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions.

United Security Bank
401K Cash or Deferred Stock Ownership Plan
Notes to Financial Statements
December 31, 2017 and 2016

Employer contributions

The Safe Harbor Match Contribution made by the Company equals one hundred percent (100%) of the first four percent (4%) of an employee's eligible contributions made during the year. The Company may elect to make a discretionary matching contribution, annually, at the discretion of the Board of Directors. The election would be in place of the Safe Harbor contribution and allocated in proportion to the participants' eligible compensation to the total compensation of all eligible participants for the Plan year.

For the year 2016 eligible compensation includes participant's contributions to the Plan and to the Company Cafeteria Plan. Beginning January 1, 2017, eligible compensation excluded AFLAC Pre-Tax, the Company's Cafeteria Plan Section 125 Deduction, Taxable Stipends, Group Term Life Insurance greater than \$50,000 and Meal Penalty. Employer contributions are made in cash and re-invested in various plan investments at the direction of the participant. The employer made safe harbor contributions of \$256,256 for the plan year ended December 31, 2017. There were no discretionary matching contributions made during the year ended December 31, 2017.

Vesting

When a participant terminates employment with the Company, they are entitled to the vested portion of each of their accounts. Participants are always 100% vested in the amounts they contributed to the plan, including any rollover contribution, Safe Harbor Match contribution, or discretionary matching contribution.

Notes receivable from participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms range from one to five years, except that a loan used to acquire a principal residence may be repaid over a reasonable time commensurate with the repayment period similar to commercial loans. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan Administrator. Principal and interest are paid through payroll deductions. Loan expenses are deducted from the gross loan amount upon distribution to the employee. As of December 31, 2017, the rate of interest on outstanding loans ranges from 4.25% to 7.00% with maturities through September 2029.

Forfeitures

Forfeitures are the non-vested portion of a participant's account that is lost upon termination of employment. These forfeitures represent amounts for employees that terminated employment with the Company prior to January, 1 2012, when the Plan vesting was changed to 100% immediate vesting. Forfeitures are retained in the Plan and may be used to offset Plan expenses or reduce future employer contributions. For the year ended December 31, 2017, \$9,375 of non-vested forfeitures were used to offset plan expenses. No non-vested forfeitures were used to offset employer contributions for the year ended December 31, 2017.

United Security Bank
401K Cash or Deferred Stock Ownership Plan
Notes to Financial Statements
December 31, 2017 and 2016

Benefits paid to participants

Upon termination of service, the participant may elect to receive benefits equal to the vested value of his or her account in one lump-sum payment or transfer/rollover the vested value to another qualified investment plan. The Plan allows in-service distributions for participants that have reached Normal Retirement Age as defined in the Plan, but are still working for the Company. The Plan allows hardship withdrawals. Any Safe Harbor Match account balance is excluded from a hardship withdrawal eligibility.

Plan termination

Although termination of the Plan is not presently contemplated, the Company does have the right to terminate the Plan at any time.

NOTE 2 – ACCOUNTING POLICIES

Basis of accounting

The financial statements of the Plan are prepared in accordance with accounting principles generally accepted in the United States of America, using the accrual basis of accounting.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment valuation

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Income recognition

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. The net appreciation/depreciation in fair value of investments consists of both the realized gains or losses and unrealized appreciation and depreciation of those investments.

Payment of benefits

Benefits are recorded when paid. The Plan accounts for benefits due to participants who have terminated employment with the Company as a component of net assets available for benefits until such amounts have been paid.

United Security Bank
401K Cash or Deferred Stock Ownership Plan
Notes to Financial Statements
December 31, 2017 and 2016

Subsequent events

Subsequent events are events or transactions that occur after the statement of net assets available for benefits date but before financial statements are issued. The Plan recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets available for benefits, including the estimates inherent in the process of preparing the financial statements. The Plan's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net assets available for benefits but arose after the statement of net assets available for benefits date and before financial statements are issued.

NOTE 3 – FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs that may be used to measure fair value are described below:

- Level 1 Quoted prices (unadjusted) for identical assets or liabilities in active markets that the plan has the ability to access as of the measurement date.
- Level 2 Significant other observable inputs other than level 1 prices such as 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 market data.
- 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.

The asset or liability's fair value measurement may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. 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, 2017 and 2016.

Registered investment companies (Mutual funds): Shares of registered investment company funds are valued at the NAV of shares held by the Plan and are valued at the closing price reported on the active market on which the individual securities are traded. Accordingly, mutual funds are classified within Level 1 of the valuation hierarchy. Common stock of United Security Bancshares and other common stock (Self-directed Brokerage): Common stock is valued at quoted market prices. Accordingly, investments in common stock are classified within Level 1 of the valuation hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables sets forth by level, within the fair value hierarchy, the Plan's assets at fair value on a recurring basis as of December 31, 2017 and 2016.

Assets at Fair Value as of December 31, 2017

| | Level 1 | Level 2 | Level 3 | Total |
|--|--------------|---------|---------|--------------|
| Self-directed Brokerage | \$ 197,992 | \$ - | \$ - | \$ 197,992 |
| Common stock of United Security Bancshares | 4,208,765 | — | — | 4,208,765 |
| Mutual Funds | 4,876,762 | — | — | 4,876,762 |
| Total assets at fair value | \$ 9,283,519 | \$ - | \$ - | \$ 9,283,519 |

Assets at Fair Value as of December 31, 2016

| | Level 1 | Level 2 | Level 3 | Total |
|--|--------------|---------|---------|--------------|
| Self-directed Brokerage | \$ 101,091 | \$ - | \$ - | \$ 101,091 |
| Common stock of United Security Bancshares | 3,137,185 | — | — | 3,137,185 |
| Mutual Funds | 4,053,555 | — | — | 4,053,555 |
| Total assets at fair value | \$ 7,291,831 | \$ - | \$ - | \$ 7,291,831 |

There were no transfers in or out of Levels 1, 2 or 3 for the twelve months ending December 31, 2017 and 2016. There were no liabilities measured at fair value on a recurring basis at December 31, 2017 and 2016. The plan did not have any assets of liabilities measured at fair value on a non-recurring basis at December 31, 2017 and 2016.

NOTE 4 – INVESTMENTS

At December 31, 2017, a substantial amount of the Plan's assets were invested in the common stock of the Company and are held by TD Ameritrade. The remaining portion of the Plan's assets are held in the form of mutual funds, other common stock, and self-directed brokerage accounts at Plan's Trustee, Nationwide Trust Company (NTC), or at TD Ameritrade.

The Plan's investments include 382,615 and 404,798 shares of Company stock at December 31, 2017 and 2016, respectively. The Company common stock is valued at the quoted market price of \$11.00 and \$7.75 per share at December 31, 2017 and 2016, respectively.

United Security Bank
401K Cash or Deferred Stock Ownership Plan
Notes to Financial Statements
December 31, 2017 and 2016

NOTE 5 – TAX STATUS

The plan document is a prototype standardized defined contribution plan that received a favorable opinion letter from the Internal Revenue Service on March 31, 2014, which stated that the prototype plan, as then designed, was in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the opinion letter, the Trustees believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. As a result of the favorable determination received from the Internal Revenue Service, no provision for income taxes has been included in the Plan's financial statements. In accordance with guidance on accounting for uncertainty in income taxes, the Trustees have evaluated the Plan's tax positions and do not believe the Plan has any uncertain tax positions that require disclosure or adjustment to the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 6 – RELATED PARTY TRANSACTIONS

The Plan's assets are held by Nationwide Trust Company (NTC) and TD Ameritrade. Some of the Plan assets are invested in funds managed by NTC. NTC also provides record keeping and investment services to the Plan. Plan assets held at TD Ameritrade include investments in the Company's stock and other self-directed investments. Company contributions are managed by NTC, which invests cash received, interest and dividend income and makes distributions to participants.

NTC expenses incurred at the participant level are absorbed by the Plan and allocated among the related participant's accounts. The independent auditors' and financial planner's fees are paid directly by the Company. The Plan Administrator's maintenance fees are paid directly by the Company.

NOTE 7 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, credit risks, and overall market volatility. Due to the level of risk associated with certain investment securities, changes in the values of investment securities may occur in the near term and such changes could materially affect participants' account balances and the amounts reported in the financial statements.

The Plan is subject to concentrations of market risk with respect to common stock of United Security Bancshares stock held by the Plan. At December 31, 2017, 43.53% of the Plan assets are invested in United Security Bancshares stock, which is publicly traded on the NASDAQ stock exchange. United Security Bancshares stock, adjusted for stock dividends, traded at a high closing price of \$11.10 per share and a low closing price of \$7.05 per share during 2017. Company performance and other environmental factors impact the market value of this investment on a daily basis.

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United Security Bank
 401K Cash or Deferred Stock Ownership Plan
 Employer Identification Number 77-0103429 Plan Number: 002
 Schedule H, Line 4i, Schedule of Assets (Held at End of Year)
 December 31, 2017

| (a) | (b) | (c) | (d) | (e) |
|-----|---|---|------|---------------|
| | Identity of issuer, borrower, lessor or similar party | Description of investment, including maturity date, rate of interest, collateral, par or maturity value | Cost | Current Value |
| * | United Security Bancshares | United Security Bancshares common stock held | | \$4,208,765 |
| * | Nationwide/TD Ameritrade | Other various self- directed common stock | | 115,662 |
| * | Nationwide | Self-directed money market | | 82,330 |
| | AB Small Cap | AB Small Cap Growth Advisor Fund | | 2,849 |
| | American Beacon | American Beacon International Equity Fund | | 143,815 |
| | American Beacon | American Beacon Small Cap Value Institutional Fund | | 2,644 |
| | American Century Investments | American Century Equity Growth Fund | | 2,728 |
| | American Century Investments | American Century Global Gold Fund | | 4,095 |
| | American Century Investments | American Century Short Duration Inflation-Protected Bond Fund | | 30,775 |
| | American Funds | American Funds AMCAP Fund Class R-6 | | 3,532 |
| | American Funds | American Funds Growth Fund of America Class R-6 | | 4,151 |
| | American Funds | American Funds The New Economy Fund Class R-6 | | 2,805 |
| | American Funds | American Funds Washington Mutual Investors Fund | | 113,649 |
| | American Independent | American Independent US Inflation-Protected Fund | | 88,627 |
| | Black Rock | Black Rock Total Emerging Markets Fund | | 1,743 |
| | Cohen & Steers | Cohen & Steers Real Estate Securities Fund | | 1,690 |
| | Columbia Convertible Securities | Columbia Convertible Securities Institutional Fund | | 3,445 |
| | Davis Financial | Davis Financial Y Fund | | 2,747 |
| | Dimensional Funds Advisors | Dimensional Funds Advisors Emerging Markets Core Equity Fund | | 122,225 |
| | Dimensional Funds Advisors | Dimensional Funds Advisors Global Real Estate Securities Port Fund | | 54,793 |
| | Dimensional Funds Advisors | Dimensional Funds Advisors US Large Cap Value Fund | | 102,051 |
| | Dimensional Funds Advisors | Dimensional Funds Advisors US Targeted Value Fund | | 45,265 |
| | Dodge & Cox Funds | Dodge & Cox International Stock Fund | | 2,041 |
| | Dodge & Cox Funds | Dodge & Cox Stock Fund | | 3,942 |
| | Emerald Bank | Emerald Bank and Finance A Fund | | 2,737 |
| | Federated | Federated Government Obligations Fund (PRM) | | 3,646 |
| | Fidelity | Fidelity Advisor Materials Fund | | 2,797 |
| | Fidelity | Fidelity Real Estate Index Fund | | 1,663 |
| | Fidelity | Fidelity Total Market Index Premium Fund | | 2,709 |
| | Goldman Sachs | Goldman Sachs Commodity Strategy A Fund | | 2,638 |
| | Goldman Sachs | Goldman Sachs Large Cap Value Insights Fund | | 1,825 |

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| | | |
|------------------------|--|---------|
| Goldman Sachs | Goldman Sachs Small Cap Value Insights Fund | 2,664 |
| Harbor | Harbor International Fund Institutional Class | 1,163 |
| Invesco | Invesco Energy Fund Class R5 | 3,351 |
| Invesco | Invesco Comstock Fund Class Y | 2,777 |
| Invesco | Invesco Growth and Income Fund Class Y | 2,667 |
| JP Morgan | JP Morgan Emerging Markets Equity Fund | 1,902 |
| JP Morgan | JP Morgan Mid Cap Value L Fund | 1,909 |
| JP Morgan | JP Morgan Small Cap Growth Fund | 1,961 |
| JP Morgan | JP Morgan Small Cap Value Fund | 2,129 |
| JP Morgan | JP Morgan Strategic Income Opportunities Fund | 68,162 |
| Legg Mason | Legg Mason ClearBridge Small Cap Growth Fund | 4,130 |
| Legg Mason | Legg Mason Brandywine Global Opportunities Bond Fund | 48,902 |
| Lord Abbett | Lord Abbett Convertible Fund | 2,600 |
| MFS | MFS Research International Fund | 3,731 |
| MFS | MFS Utilities R4 Fund | 11,181 |
| *Nationwide | Nationwide Bailard Technology & Science Fund | 25,708 |
| *Nationwide | Nationwide Loomis All Cap Growth Fund | 112,928 |
| *Nationwide | Nationwide Ziegler NYSE ARCA Tech 100 Index Fund | 2,776 |
| *Nationwide | Nationwide Bank FDIC Insured Account | 408,229 |
| Neuber Genesis | Neuber Genesis Institutional Fund | 2,680 |
| Oppenheimer Funds | Oppenheimer Main Street Mid Cap Y Fund | 1,728 |
| Oppenheimer Funds | Oppenheimer Discovery Y Fund | 2,106 |
| Oppenheimer Funds | Oppenheimer Global Opportunities Y Fund | 2,959 |
| Oppenheimer Funds | Oppenheimer Global Y Fund | 3,504 |
| Oppenheimer Funds | Oppenheimer International Growth Y Fund | 140,584 |
| Principal | Principal Large Cap Growth Fund | 4,343 |
| Principal | Principal Mid Cap Growth Fund | 2,108 |
| Principal | Principal Equity Income Fund | 2,021 |
| Prudential Investments | Prudential Total Return Bond Fund | 225,863 |
| Prudential Investments | Prudential High Yield Z Fund | 85,364 |
| Prudential Investments | Prudential Total Return Bond Z Fund | 458 |
| Putnam | Putnam Convertible Securities Y Fund | 2,577 |
| T. Rowe Price | T. Rowe Price Real Estate Fund | 846 |
| T. Rowe Price | T. Rowe Price New Horizons Fund | 4,243 |
| T. Rowe Price | T. Rowe Price Financial Services Fund | 2,779 |
| TCW | TCW Total Return Bond Fund | 598 |
| Vanguard | Vanguard 500 Index Fund | 54,461 |
| Vanguard | Vanguard Emerging Markets Stock Index Fund | 1,844 |
| Vanguard | Vanguard Extended Market Index Fund | 1,802 |
| Vanguard | Vanguard Total Stock Market Index Fund | 219,618 |
| Vanguard | Vanguard Target Retirement 2015 Fund | 27,133 |
| Vanguard | Vanguard Target Retirement 2020 Fund | 406,432 |

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| | | |
|----------|---|---------|
| Vanguard | Vanguard Target Retirement 2025 Fund | 122,615 |
| Vanguard | Vanguard Target Retirement 2030 Fund | 266,229 |
| Vanguard | Vanguard Target Retirement 2035 Fund | 252,938 |
| Vanguard | Vanguard Target Retirement 2040 Fund | 289,643 |
| Vanguard | Vanguard Target Retirement 2045 Fund | 200,947 |
| Vanguard | Vanguard Target Retirement 2050 Fund | 64,971 |
| Vanguard | Vanguard Target Retirement 2055 Fund | 53,566 |
| Vanguard | Vanguard Target Retirement 2060 Fund | 36,876 |
| Vanguard | Vanguard Target Retirement Income Fund | 476,942 |
| Vanguard | Vanguard Total International Stock Index Fund | 105,513 |
| Vanguard | Vanguard Total Bond Market Index Fund | 116,438 |
| Vanguard | Vanguard Explorer Fund | 40,848 |
| Vanguard | Vanguard Global Equity Fund | 8,943 |
| Vanguard | Vanguard Health Care Fund | 21,639 |
| Vanguard | Vanguard Precious Metals and Mining Fund | 9,877 |
| Vanguard | Vanguard Real Estate Index Fund | 7,286 |
| Vanguard | Vanguard Small Cap Growth Index Fund | 25,452 |
| Vanguard | Vanguard US Growth Fund | 98,613 |
| Vanguard | Vanguard Energy Fund | 2,599 |
| Vanguard | Vanguard Selected Value Fund | 8,553 |
| Vanguard | Vanguard Short-Term Bond Index Fund | 3,726 |

*Participant Loans 4.25%-7.00% rate; Maturities through September 2029 -412,672

\$9,396,191

(d) Investments are participant directed; therefore, cost information is not required.

* Indicates party-in-interest to the Plan

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

United Security Bank 401K Cash or Deferred Ownership Plan

June 26, 2018

By: /s/ Bhavneet Gill
Senior Vice President
and Chief Financial Officer of United Security Bank

EXHIBIT INDEX

EXHIBIT
NUMBER EXHIBIT

23.1 Consent of Moss Adams LLP