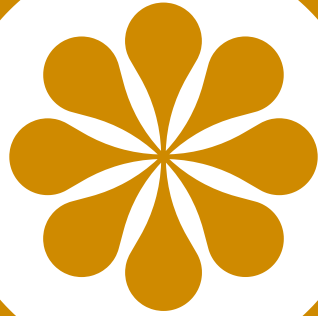
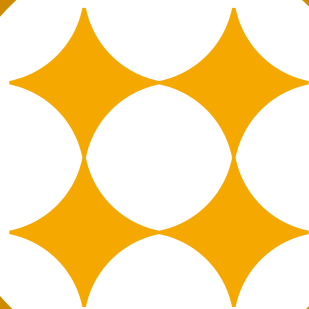
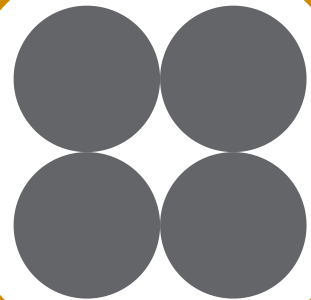
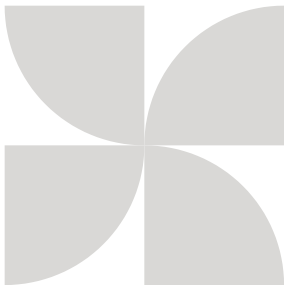


Q2 REPORT

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FROST
for Zcash



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Our Mission

The Zcash Foundation is a 501(c)(3) public charity that builds financial privacy infrastructure for the public good, primarily serving users of the Zcash protocol and blockchain.

Executive Summary

With a united focus and renewed purpose, we will continue to advance Zcash's mission and broaden its positive impact now and into the future.

The second quarter of 2025 was a period of strong momentum and growth for Zcash Foundation. During my first full quarter as Interim Executive Director, I prioritized cross-organization communication and collaboration while spearheading strategic internal conversations and planning initiatives to guide our future direction. I would like to thank all Zcash ecosystem leaders and community members for their invaluable engagement, insight, and dedication to advancing our shared mission. Your contributions, whether through thoughtful debate, technical innovation, governance participation, or advocacy, continue to shape the trajectory of Zcash in meaningful ways. Together, we made significant progress this quarter: strengthening core infrastructure, refining our long-term funding model, and fostering a culture of openness and trust. This spirit of collaboration not only drives our current successes but also lays the groundwork for the innovative, privacy-preserving future we are building side by side.

We advanced our mission by deepening support for decentralized governance and enhancing the reliability of core infrastructure while also actively empowering our community. This quarter was shaped by pivotal community decisions regarding the future of Zcash funding, notable milestones in our engineering work, and a steadfast focus on operational excellence.

The Board formally endorsed the Community & Coinholder Funding Model (C&C), a framework designed to balance decentralized community input with coinholder governance. This model preserves decentralized fund control, promoting collaboration across all Zcash ecosystem stakeholders. Its adoption aims to unify development efforts and produce a more cohesive roadmap for Zcash's evolution. After extensive polling of the Zcash Community Advisory Panel (ZCAP) and broader coinholders, the results showed overwhelming support for extending the Dev Fund using the C&C model. Multiple independent and coordinated surveys validated a clear mandate: ZEC coinholders and the Community want a shared decision-making structure for future funding and see this as a priority for long-term sustainability, even if it necessitates adjustments to upcoming network upgrades. This transition has further exemplified Zcash's commitment to transparency, inclusivity, and decentralization, ensuring broad participation in shaping the next phase of ecosystem support.

Our engineering work continued this quarter as ZF successfully completed a comprehensive audit of the FROST (Flexible Round-Optimized Schnorr Threshold) demo, including both client and server components. The audit, performed by Least Authority, confirmed that all identified issues were resolved, with particular attention given to mitigating potential attack vectors and ensuring robust session management.

Executive Summary

The FROST team also implemented new cipher suites compatible with Bitcoin Taproot signatures, enabling use cases such as shielded asset issuance on Zcash. Community contributions played a substantial role in driving these technical innovations, highlighting the diverse talent within the Zcash ecosystem.

Continued development in this area has strengthened both privacy and usability and we have now concluded our work on the FROST reference implementation, frost-core, along with the ciphersuite crates. Our hope is that wallets will integrate FROST, either directly or as a reference, and reach out to us for guidance as needed.

Additional engineering progress included the team delivering two significant Zebra node releases: version 2.3.0 restored testnet and regtest mining, standardized developer tooling, and simplified core RPC features, while 2.4.2 introduced incremental performance and stability updates. These releases reflect a maturing and increasingly robust consensus node implementation, furthering network reliability and decentralization.

At the organizational level, our engineering manager announced a planned three-month sabbatical to recharge and spend time with family. This reflects the Foundation's commitment to sustainable work practices and supporting team well-being during a high-velocity period of development.

Additionally, the Communications and Operations team held a productive in-person retreat, reinforcing cross-team collaboration, fostering innovative planning for upcoming community engagement activities, and enabling strategic alignment as the Foundation prepares for major changes in funding and technical strategy. The Zcash Community can expect updates on multiple outcomes and initiatives from the retreat in the coming months.

ZF's critical strides in decentralized governance, technical innovation, and organizational sustainability underscore the strength and cohesion of the Zcash community. Through adoption of the C&C Funding Model, rigorous engineering achievements, and a continued culture of team care and collaboration, we have laid the groundwork for a more inclusive, resilient, and future-ready Zcash ecosystem. The strong mandate from the Community reaffirms our shared vision and positions us to build on this momentum in the months and years ahead. With a united focus and renewed purpose, we will continue to advance Zcash's mission and broaden its positive impact now and into the future.



Alex Bornstein
Interim Executive Director and COO

Engineering Summary

During the second quarter of the year, the Zebra team continued to work towards Zcashd deprecation by fixing bugs, enhancing RPC methods to match Zcashd and resolving issues reported by ecosystem partners.

Our focus has been on preparing for NU6.1, the audit for frost-tools, and continuing to work towards Zcashd deprecation. We have placed a strong emphasis on fostering collaboration with other Zcash organizations, prioritizing our support by actively engaging in reviews and addressing the issues they have reported.

In Zebra, a key focus was on improving the Remote Procedure Call (RPC) methods to align with Zcashd, which included adding support for negative heights and enhancing transaction reporting. These updates are crucial for ensuring a smooth transition as the foundation prepares for the deprecation of Zcashd. We also addressed various bugs and issues, including syncing errors and database command panics, which improved the overall stability of the software.

The FROST project benefited from final suggestions made during a security audit for frost-tools repo, leading to improvements in code clarity and error handling. This work has positioned the FROST reference implementation for future integration requests from wallet developers.

Performance enhancements were a significant part of the quarter's achievements, with the implementation of caching for sighash contexts and updates to various RPC methods to improve usability. The foundation also worked on ensuring that Zebra could accept shielded addresses in its mining configuration.

From a DevOps perspective, the team focused on optimizing testing processes and improving the reliability of their CI systems. This included addressing issues with Docker file management and enhancing the speed and consistency of automated tests, which allows developers to receive feedback more quickly.

INDIVIDUAL SPRINTS

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ZF Use of Funds

During Q2 2025, ZF's monthly operating expenses averaged approximately \$259,096 USD. The breakdown of resource allocation is as follows:

Community Calls, event sponsorship, Forum & Comms (outreach)	\$11,553
Conference & Professional Development	\$8,666
Dev Summit	\$0
General Overhead	\$51,166
Program Expenses	\$53,403
Retreat	\$3,804
Team Compensation	\$648,695
ZCG Support	\$0
Zcon	\$0
ZF Grants	\$0
Total	\$777,287

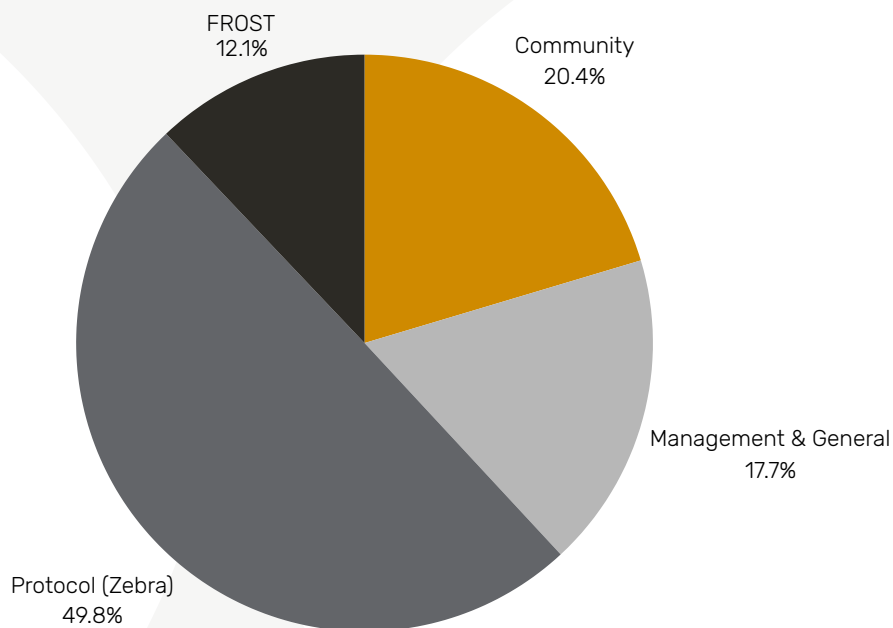
General overhead refers to costs not related to labor. These include: accounting, HR account fees, custodial service and banking fees, insurance, legal fees, incorporation fees, operating accounts, website expenses, and trademark enforcement expenses.

Team compensation encompasses all compensation and benefits paid to ZF staff and contractors.

Unaudited and subject to change.

ZF Programs

This table and the chart on the following page explain what type of programs ZF invested in during Q2. Please note that each ZF team member's compensation and benefits are allocated to the program(s) to which they contributed.



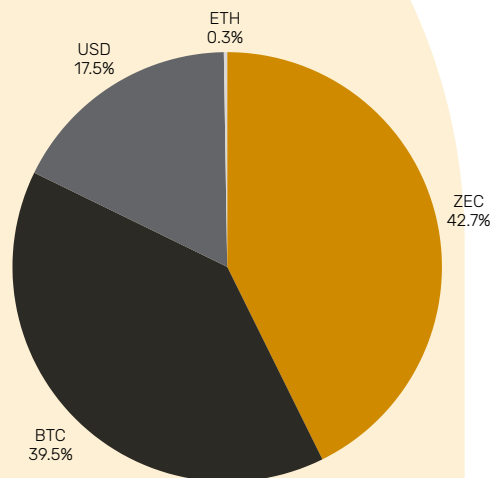
Community	\$158,371
Management & General	\$137,735
Protocol (Zebra)	\$387,295
FROST	\$93,886
Total	\$777,287

Q2 Financial Snapshot

UNRESTRICTED FUNDS		
TOTAL LIQUID ASSETS		
LIQUID ASSETS	COIN BALANCE	USD VALUE
USD	\$ -	\$2,004,718
ZEC	133,148.57	\$4,882,558
BTC	42.74	\$4,524,205
ETH	11.89	\$28,611
TOTAL LIQUID ASSETS		\$11,437,092
TOTAL LIABILITIES		
GRANT COMMITMENTS		0
ACCRUED EXPENSES & PAYROLL LIABILITIES		\$30,618
TOTAL LIABILITIES		\$30,618
NET LIQUID ASSETS		
NET LIQUID ASSETS		\$11,406,474

USD VALUE (as of June 30th : \$36.67 USD/ZEC | \$105,779.45 USD/BTC | \$2,406.28 USD/ETH

NB: This simplified balance sheet does not include intangible or illiquid assets and liabilities that would appear on ZF's full balance sheet (e.g. trademark, etc.)



% of assets are based on the end of quarter USD value

Community Focus

We convene and facilitate authentic Community conversations and experiences to support and grow the Zcash ecosystem.

Blog Posts

- [Zcash Foundation Bids Farewell To Jack Gavigan](#)
- [Why the Board Endorses the Community and Coinholder Funding Model \(C&C\)](#)
- [Polling ZCAP on a New Dev Fund and Funding Model](#)
- [FROST Demo Audit: frost-client and frostd](#)
- [Results of ZCAP Dev Fund Poll](#)
- [Zebra 2.3.0 Release](#)
- [The State of FROST for Zcash](#)
- [Announcing Pili's Sabbatical](#)
- [Zebra 2.4.2 Release](#)

Video Playlists

- [FROST Demo](#)
- [Zcash Arborist Calls](#)

Get Involved

- Zcash Community Forum: <https://forum.zcashcommunity.com>
- Zcash Foundation: <https://discord.gg/na6QZNd>
- Zcash Global: <https://discord.gg/zcash>
- Zcash R&D: <https://discord.gg/Wg5cRK2eUM>
- Electric Coin Co: <https://discord.gg/Huzg9C7EHP>
- Zero-Knowledge AV Club: <https://www.zkav.club>
- Zcash Arborist Calls: <https://zfn.org/arborist-calls>

THANK YOU ZF BOARD

ZF would like to thank our board members for their continued contributions. Board members are uncompensated volunteers, who dedicate their time and expertise to shape the future of the Zcash Foundation while providing vital governance oversight.

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- **Marta Belcher**: President and Chair of the Filecoin Foundation as well as the Filecoin Foundation for the Decentralized Web. She is also General Counsel and Head of Policy at Protocol Labs, and special counsel to the Electronic Frontier Foundation.
 - **Ted Hoffmann**: (boggerster on the Forum) is a European citizen fluent in French, German, and English, with nearly a decade of experience in cryptocurrency. He's particularly passionate about Ethereum and Zcash, valuing open finance and permissionless financial privacy as essential safeguards against authoritarian financial controls. He believes Zcash's privacy features are critical for fostering a democratic society. Drawing on his extensive knowledge of blockchain ecosystems like Ethereum, Cosmos, Bitcoin, and Zcash, Ted advocates for a community-first approach to advancing Zcash, prioritizing effective communication, streamlined technology, robust onboarding, and a transition to proof-of-stake (PoS).
 - **Taylor Hornby** (earthrise on the Forum) brings extensive experience to the Zcash ecosystem, having worked at the Electric Coin Company (ECC) during Zcash's pre-launch, later returning to ECC in 2018 as a security engineer, before leaving in 2022 and becoming the Zcash Ecosystem Security Lead through 2023.
 - **Andrew Miller** (Chair & Treasurer): Assistant professor in the electrical and computer engineering department at the University of Illinois at Urbana-Champaign, and an associate director of the Initiative for Cryptocurrencies and Contracts.
 - **J.W. Verret**: Associate Professor at the Antonin Scalia Law School at George Mason University, where he teaches banking, securities, and corporation law.

