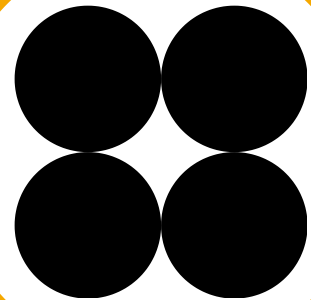
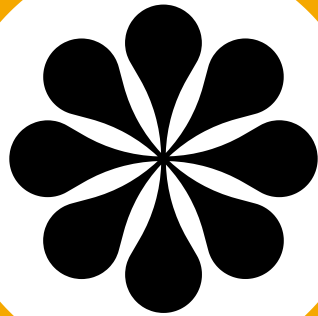
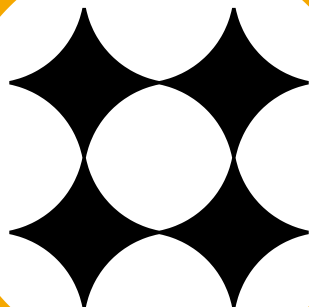


# Q1 REPORT

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FR<sup>z</sup>ST  
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

**This quarter proved what decentralization is supposed to deliver: continuity through change, resilience through distribution, and progress through community.**

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The first quarter of 2026 has been one of the most consequential in the Zcash Foundation's history. In just three months, we navigated ecosystem-wide transitions, achieved major regulatory clarity, shipped critical infrastructure, advanced protocol governance, and laid the technical groundwork for Network Upgrade 7.

## **Stability in a Time of Transition**

The quarter began during significant change across the Zcash ecosystem. Governance disputes within Electric Coin Company led to the departure of much of its development team. We moved quickly to reassure the ecosystem: the Zcash network is, and has always been, a decentralized, open-source protocol. No single organization controls it. Blocks continued to be produced, transactions continued to settle, and users' funds and privacy remained secure throughout. Our statement, [The Zcash Network: Strength in Decentralization, Unity in Purpose](#), reaffirmed these facts and made clear that the Foundation would continue fulfilling its mission. The network's resilience was not aspirational — it was operational, proven, and visible to everyone.

## **Regulatory Clarity**

We were pleased to [announce](#) that the U.S. Securities and Exchange Commission concluded its investigation into the Zcash Foundation without recommending any enforcement action. The inquiry began with a subpoena in August 2023, and the SEC informed the Foundation that it does not intend to pursue any enforcement action regarding the matter. This removes a significant regulatory overhang and allows us to move forward with clarity.

## **Strengthening Network Infrastructure**

When ECC's DNS seeders stopped responding, we [deployed new seeders](#) in both the United States and Europe within days, ensuring uninterrupted peer discovery for the network. We also announced a [native Rust DNS seeder](#) built on the same zebra-network crate that powers Zebra, featuring a lock-free architecture, per-IP rate limiting against amplification attacks, and integrated Prometheus metrics.

## **Engineering Highlights**

We released two major versions of Zebra. [Zebra 4.0.0](#) focused on observability, streamlined operations, and developer experience. [Zebra 4.1.0](#) expanded monitoring with comprehensive Prometheus metrics. In parallel, the team advanced NU7 consensus rules, expanded Zebra's RPC layer, and began building out the Z3 stack — integrating Zebra, Zaino, and Zallet with built-in Tor support.

# Executive Summary

[FROST v3.0.0-rc.0](#) marked another milestone for multi-party signing, with cheater detection enabled by default, a refactored refresh and repair mechanism, stronger zeroization, and improved async support. We're on track to finalize FROST v3 and ZIP-312 this year.

## **Embracing AI in Development**

We published our approach to [AI-assisted contributions in Zebra](#). AI-assisted contributions helped ship features faster, enabled contributors new to Rust or the Zcash protocol to participate meaningfully, and accelerated development velocity across four major releases in three months. We've introduced clear contributor guidelines and machine-readable guidance for AI agents, embracing the tools while ensuring human accountability over privacy-critical code.

## **NU7 Governance**

The [NU7 sentiment polling](#) gathered input from ZCAP members, coinholders, the Engineering Caucus, and community groups across five countries. ZCAP turnout reached 57%, and coinholder participation represented 7.25% of circulating ZEC.

Several items enjoyed broad consensus: Project Tachyon received near-universal support, Orchard Quantum Recoverability was backed by over 90% of both ZCAP and coinholders, and Explicit Fees saw support in the 83–87% range. On other proposals – including Zcash Shielded Assets, issuance smoothing, and Consensus Accounts – ZCAP and coinholder sentiment diverged significantly. As we outlined in our [analysis of the results](#), we've committed to naming these gaps clearly and working through them transparently.

## **Community Events**

ZF hosted [Zcomm 2026](#), a full-day virtual event bringing together community builders from across the privacy ecosystem for practical, hands-on workshops. Four sessions spanning eight hours featured speakers from Web3Privacy Now, Aztec, DWeb, and the Ludlow Institute, with moderation from community leaders across ZODL, ZecHub, and ZK AV. Attendees engaged live through dedicated Zcash Discord channels, and community partners. The turnout and cross-community coordination validated the format, and we're building on that momentum as we plan the Zcash Dev Summit in Rome alongside ZKProof8 and Eurocrypt, and Zcon7 in Cancún this fall.

# Executive Summary

## Welcoming a New Board Member

In February we were thrilled to welcome Scott Onder to ZF's Board of Directors. As Chief Investment Officer of Mercy Corps and Co-Founder and Senior Managing Director of Mercy Corps Ventures, Scott brings a rare combination of experience across impact investing, frontier-market fintech, and Web3 – having backed 38 early-stage ventures across Africa, Latin America, and Southeast Asia. His perspective on how privacy-preserving infrastructure intersects with financial inclusion and climate resilience promises to be invaluable, and we could not be more excited to have him join us.

## Looking Ahead

Our Q2 priorities include continued NU7 implementation, Z3 stack advancement, and Zebra performance benchmarking. This quarter proved what decentralization is supposed to deliver: continuity through change, resilience through distribution, and progress through community. Thank you for being part of this journey.



Alex Bornstein  
Executive Director

During Q1 2026, the Zcash Foundation engineering team focused on Zebra security and correctness, continued progress on the Z3 stack and `zcashd` deprecation, FROST tooling improvements, and contributions to upcoming protocol specifications. The team also engaged actively on ZIPs covering block time reduction, ZIP 316 Revision 2, NU7 transaction versioning, and formalisation of the P2P protocol specification.

## Key Zebra Developments

Three Zebra releases shipped in Q1. [Zebra 4.0.0](#) introduced observability infrastructure and distributed tracing support. [Zebra 4.2.0](#) delivered updated mainnet checkpoints and bug fixes. [Zebra 4.3.0](#) was a critical security release addressing two responsibly disclosed vulnerabilities: CVE-2026-34202 (CVSS 9.2), a remote DoS via crafted V5 transactions that could crash a node, and CVE-2026-34377 (CVSS 8.4), a consensus logic error that could allow a malicious miner to induce a chain split. Both were patched, disclosed publicly, and test generators were updated to provide broader coverage against regressions. The release also introduced an initial implementation of ZIP-235 (Network Sustainability Mechanism). RPC coverage was expanded with `gettxout` and `rpc.discover`, the older OpenAPI spec was replaced with OpenRPC, and consensus rule coverage was extended across the full chain history, including correct pre-Canopy block subsidy calculations.

## Z3 Stack

The Z3 Docker Compose setup was redesigned, with the regtest environment reorganised into its own directory, Zaino added to the regtest stack with both gRPC and JSON-RPC endpoints exposed, and Zebra and Zaino submodules updated. Z3 integration tests were wired to trigger on Zebra changes. A full observability stack – Prometheus, Grafana (14 dashboards), Jaeger, and AlertManager – was added as an optional profile. On the Zallet side, work began implementing `z_importkey` and `z_exportkey` for Sapling as part of `zcashd` RPC parity.

## FROST

For FROST, defensive fixes were made to prevent certain internal functions from being called with invalid inputs, a tracking issue was opened for COCKTAIL-DKG, upstream specification feedback was filed, and a networking fix allowed `frostd` to bind to non-loopback addresses behind a reverse proxy. [FROST v3.0.0](#) was prepared for imminent release.

# Engineering Summary

## Hackmas Outcomes

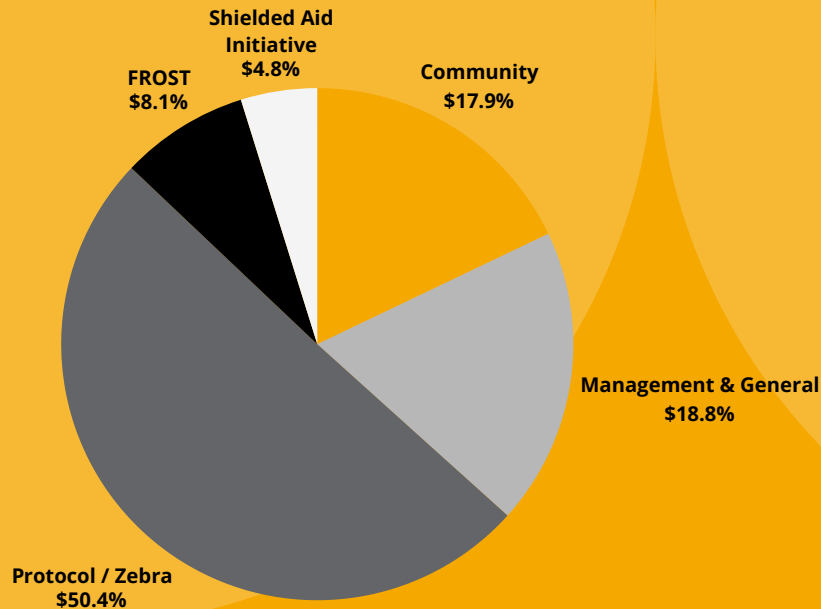
Hackmas 2025 produced several notable projects: Zeeder, a Rust-based DNS seeder now in production with nodes deployed in the US and Europe; a mining pipeline producing blocks with shielded coinbase transactions on Testnet; sync performance improvements of 13–35%; and FROST signing support added to [zcash-devtool](#).

## Infrastructure

Infrastructure work included a new reusable GitHub Action for build environment setup, automated documentation checks that cleaned up over 80 files, CI lint configuration moved into [Cargo.toml](#) for consistent behaviour across all build environments, and AI-assisted contribution guidelines established for the Zebra repository.

# ZF Use of Funds

During Q1 2026, ZF's monthly operating expenses averaged approximately \$272,539 USD. The breakdown of resource allocation is as follows:



Community Calls, event sponsorship, Forum & Comms (outreach)	\$16,335
Conference & Professional Development	\$12,278
Dev Summit	\$0
Zcomm	\$2,462
General Overhead	\$93,960
Program Expenses	\$98,068
Retreat	\$0
Team Compensation	\$592,565
Zcon	\$450
ZF Grants and Donations	\$1,500
<b>Total</b>	<b>\$817,618</b>

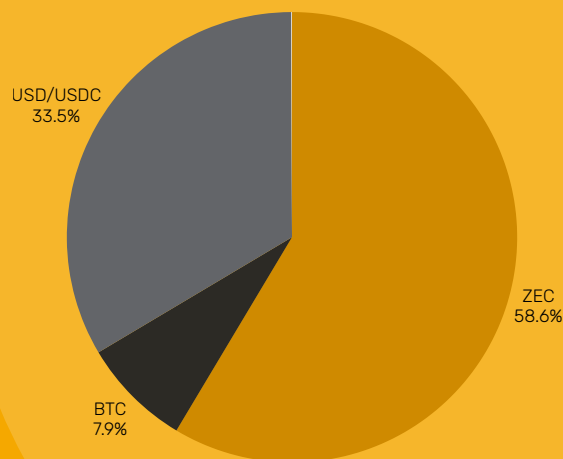
General overhead refers to costs not related to labor. These include: accounting, HR account fees, custodial service and banking fees, insurance, legal fees, incorporation fees, operating accounts, website expenses, and trademark enforcement expenses.

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

Unaudited and subject to change.

# Q1 Financial Snapshot

UNRESTRICTED FUNDS		
TOTAL LIQUID ASSETS		
LIQUID ASSETS	COIN BALANCE	USD VALUE
USD	\$ -	\$12,116,322
USDC	506,556.33	\$506,556
ZEC	85,412.34	\$21,201,052
BTC	41.80	\$2,852,151
ETH	12.02	\$25,299
		<b>\$36,701,379</b>
TOTAL LIABILITIES		
GRANT COMMITMENTS		\$750
ACCRUED EXPENSES & PAYROLL LIABILITIES		\$11,964
TOTAL LIABILITIES		\$12,714
NET LIQUID ASSETS		<b>\$36,688,666</b>
<b>USD VALUE (as of March 31st) : \$248.22 USD/ZEC   \$68,229.51 USD/BTC   \$2,104.73 USD/ETH</b>		<b>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.)</b>



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



# Zcomm 2026: A Day of Community-Led Knowledge Sharing

On March 24, ZF hosted the inaugural Zcomm – a full-day virtual event bringing together community builders from across the privacy ecosystem for practical, hands-on workshops. The program featured four sessions spanning eight hours, each running over an hour with live Q&A:

- [How to Build Strong Partnerships with Aligned Communities and Organizations](#) – Presented by PG, Co-Founder & COO at Web3Privacy Now; moderated by Neal (ZODL/BostonZcash)
- [Zypherpunk: How We Ran the World's Biggest Privacy Hackathon Ever](#) – Presented by Harsh Bajpai, Research Engineer at Aztec; moderated by Squirrel (ZecHub)
- [Designing Engaging Workshops & Roundtables: Tools for Inclusive, Action-Driven Sessions](#) – Presented by mai ishikawa sutton (DWeb); moderated by Ryan (ZK AV)
- [Building Online Communities Around Privacy and Shared Values](#) – Presented by Naomi Brockwell (Ludlow Institute/NBTV); moderated by Dismad (ZecHub)

Attendees participated in real time through dedicated Zcomm channels on the Zcash Discord, submitting and upvoting questions for speakers to answer live. Community partners extended the event's reach well beyond ZF's own stream – ZK AV Club, ZK Radio, and Zcash Brazil ran parallel livestreams on X with Portuguese and Spanish subtitles, bringing combined live viewership to approximately 500 across all streams.

All four recordings are available on the [Zcomm 2026 YouTube playlist](#).

Zcomm demonstrated what this community does best: showing up, sharing knowledge, and building together across borders and languages. Thank you to every speaker, moderator, and attendee who made the day a success.

# Community Focus

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

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## Blog Posts

- [The Zcash Network: Strength in Decentralization, Unity in Purpose](#)
- [Expanding Zcash Network Infrastructure: New DNS Seeders Launched in the United States and Europe](#)
- [Notice Concluding SEC Investigation](#)
- [Strengthening the Zcash Network: Announcing a Native Rust DNS Seeder](#)
- [Zcash Foundation: 2025 Year in Review](#)
- [Zebra 4.0.0 Release: Enhanced Observability and Developer Experience](#)
- [Zcash Foundation 2026: Stewardship and Innovation](#)
- [FROST Release v3.0.0-rc.0](#)
- [Zebra 4.1.0 Release](#)
- [Embracing AI, Protecting Privacy: How Zebra Approaches AI-Assisted Contributions](#)
- [NU7 Sentiment: ZCAP Polling Results](#)
- [NU7 Polling Results: What We Heard and Where We Go From Here](#)
- [Zcash Foundation Q4 2025 Report](#)
- [Announcing the Zcomm 2026 Program and Registration!](#)
- [Zebra 4.2.0 Release](#)
- [Zebra 4.3.0: Critical Security Fixes, ZIP-235 Support, and Performance Improvements](#)

## Video Playlists

- [Zcomm 2026](#)
- [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>
- **ZecHub:** <https://zechub.wiki/>
- **Zero-Knowledge AV Club:** <https://www.zkav.club>
- **Zcash Arborist Calls:** <https://zfnf.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 passionate about 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. 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.
- **Scott Onder**: Chief Investment Officer at Mercy Corps and also Co-Founder and Senior Managing Director of Mercy Corps Ventures, the agency's venture capital arm focused on inclusive fintech, climate resilience, and Web3 in frontier markets. He has invested in 38 seed and early-stage ventures across Africa, Latin America, and Southeast Asia. He is also an active advisor and angel investor in emerging crypto protocols.
- **J.W. Verret**: Associate Professor at the Antonin Scalia Law School at George Mason University, where he teaches banking, securities, and corporation law.

