



district0x

Quarterly Report Q1 2020

June 4th, 2020

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Mission, Vision, and Values

In our first quarterly report we shared our mission, vision, and values statement to serve as a guiding light throughout our growth and development as an organization. We will continue to highlight these at the beginning of every report to keep our ultimate goals fresh in mind.

Our Mission

Decentralize the ownership structures of the world's marketplaces.

Our Vision

Deploy a platform for the creation and operation of communal marketplaces as decentralized entities, build network effects around the platform via a suite of ancillary services and by fostering a third-party developer ecosystem, and leverage these network effects to supplant privately controlled marketplaces with districts that allow for open participation in the governance of markets.

Our Values

1. **Transparency** - Open and honest communication provides each person the opportunity to contribute in the most meaningful way.
2. **Autonomy** - We supply the tools and information to do the job, but trust one another to get that job done.
3. **Inclusion** - We welcome participation from all colors and creeds, across all borders and nationalities. We are empowered by the diversity of our ideas because competition breeds strength.
4. **Decentralization** - We seek the path of broadest consensus, and work to align motivations through incentives, not instigation.

Product

The beginning of 2020 marked the advent of several capstones for the project, some quite major. Node migrations to Meme Factory and other applications, which we left in progress at the end of last year, have moved through deployment from beginning to end. The initial wireframes for our latest application, the District Designer, were started and all but completed. And of course, the District Registry was fully released to the public on Ethereum Mainnet in our smoothest launch yet.

Meme Factory

We entered the year with Meme Factory rapidly approaching a near feature-complete state, where all updates we had laid out for post-launch development were almost entirely finished with only a few extras remaining. However, Meme Factory just like the District Registry was experiencing instability and transient errors from our reliance on Parity, and so Meme Factory became the perfect testbed for our Infura node migration at scale.

Throughout the quarter our live Meme Factory app experienced a small number of “silent” websocket failures, where a failed server reconnection would manifest in a lack of new user submissions appearing, despite them being broadcast to the Ethereum network as expected. We wrapped up the quarter implementing and testing some fixes to this that could be used across our application suite.

District Registry

The District Registry was last left off struggling to deploy to the Ethereum Mainnet given some unexpected server-side constraints. As with Meme Factory, a migration to a new node infrastructure was the sledgehammer we needed to solve the problem. With this in hand, we were able successfully launch the District Registry on February 6 to the wider public.

Development has since continued, with a number of updates designed to make the underlying systems more stable and reliable. Although unlike our previous applications, The District Registry is a relatively low-touch application for users, and as such has been much easier to manage from a technical perspective. As such, we are dedicating time and effort to ensuring the exact configuration of the first few Registry entries, using them to showcase the wider possibilities available through Aragon and its various governance and permissions offerings.

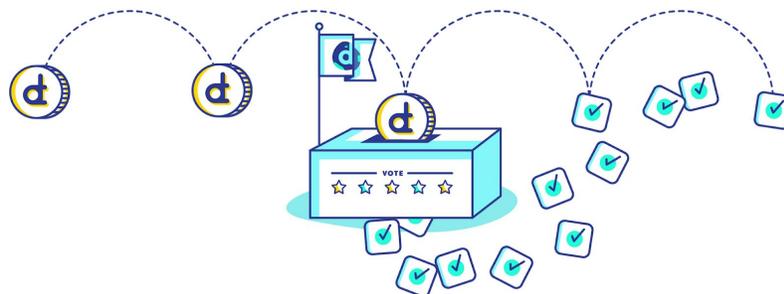
Ethlance

Progress for Ethlance’s remake marches along steadily in 2020. Work has continued on the Ethlance syncer and server, as well as tooling and construction of the mobile front-end componentry. Some time was spent refining and testing these pieces by hand-constructing “fake” data sets to run through both the syncer as well as the generator, allowing us to flesh out the front end as well.

Alongside this, we spent several development cycles documenting all the new pieces of our server. Through our endless testing, we encountered several small changes requiring refactors all the way down to the smart contract level, with changes then propagating up through the server components and GraphQL schema. Ethlance is currently our next closest application to release, and at current pace should be on the Ethereum mainnet around the end of the year.

District Designer

Our newest application, now known as the “District Designer”, is an amalgamation of many pieces of our original roadmap, including the District Creation Interface as well as the auxiliary module registry, both of which are neatly combined into a single application, rich with many more features. Because we’ve been thinking about this task for some time now, initial development and planning has happened very rapidly. As of the end of the first quarter, the wireframes for the application were about 80% complete, this includes many unplanned additions such as a token creator and a TCR creator. What we’ve laid before us is nothing short of the most complex and ambitious project we’ll be undertaking to date. However, we’re reassured by the amount of experience we have in developing decentralized applications and are confident that many of the modules we’ve developed in the past can be leveraged at-large to construct this new app. The technical package that contributes to the completion of a district designed in this application will also serve as the basis for d0xINFRA, another key roadmap item we’ve discussed previously.



Community

Community management continued forward in a similar fashion as Q4 but with a heavier focus on user onboarding, rewards, and the community curation of our live stream content. We hosted a number of community [games](#), [contests](#), events, [bounties](#), and smaller projects as a part of this focus.

With the help of the community, a 'Verified Artist Program' began to take shape that will replace the previous Ambassador program. This new program is the result of various community calls and feedback on our rewards programs and incentives. We look forward to seeing this become a tool to empower the artists and encourage them to launch their own community growth initiatives.

During this quarter we also continued the outreach to other communities. This includes [Crypto Current](#), the [Status Sticker Contest](#), [ETHdenver](#), and various other small blogs and podcasts. This quarter also resulted in us evolving the live stream to be a full Web3 onboarding experience for our viewers.

The Live Stream

We launched a [new website](#) dedicated exclusively to the live stream so we can expand our capabilities and reach. This website is complete with [loyalty store features](#), stream point leaderboards, stream archiving, and a number of social features. We also spent the majority of this quarter ramping up our live streaming hours with more [guests and events](#) so we can become a Twitch Affiliate. This will give us more opportunities to engage with the wider Twitch community and expand our general presence in the streaming community.

We have continued our community calls but they have expanded to community game nights based on feedback on our live [stream content polls](#). Since conducting these polls we have begun doing playthroughs of Web3 based games and even started doing giveaways of Web3 items that we earn while on stream. The community game streams are part of a wider roll-out of our loyalty program that will be expanding in the coming quarters.

Additionally, we have continued to host ongoing [stream bounties](#) so viewers can use the [Twitch clipping feature](#) and earn DNT in exchange for their contributions. These bounties will be ongoing. om our previous loyalty programs and we're excited to see where this new initiative takes us.

The Meme Factory Contests

We slowed down on the [Meme Factory contests](#) while we take time to restructure them. Previous contests resulted in some new Meme Factory contributors but we want these contests to not only onboard new users but engage current ones. So we have been brainstorming on ways we can allow the Meme Factory community to take the wheel a bit more. Ideally, we want these contests to be a community curated and led initiative using the governance tools we have at our disposal.

Financials

Balance Sheet

ASSETS

CURRENT ASSETS*	Q3 2018	Q4 2018**	Q1 2019**	Q2 2019	Q3 2019	Q4 2019	Q1 2020
BTC	-	-	-	-	\$2,845,782	\$1,875,120	\$1,769,149
ETH	\$8,229,990	\$4,709,421	\$4,799,568	\$8,658,559	\$1,770,767	\$1,284,686	\$1,331,305
DNT	\$4,297,402	\$2,036,868	\$2,952,186	\$2,943,662	\$1,133,816	\$988,061	\$712,277
DAI	\$357,637	\$806,800	\$637,331	\$0	\$0	\$0	\$0
MKR	-	-	\$134	\$115	\$85	\$83	\$64
Prepaid Expenses	-	-	-	-	-	-	\$252,000
TOTAL CURRENT ASSETS	\$12,885,030	\$7,553,089	\$8,389,219	\$11,602,336	\$5,750,450	\$4,147,949	\$4,064,795

LIABILITIES

CURRENT LIABILITIES	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Short-Term Debt	-	\$580,000	\$580,000	\$0	\$0	\$0	\$0
TOTAL CURRENT LIABILITIES	\$0	\$580,000	\$580,000	\$0	\$0	\$0	\$0

*Based on USD values taken from Etherscan or Coinbase on the first day of the following quarter.

**Includes 14,000 ETH held in Collateralized Debt Positions (CDPs)

Income Statement

INCOME	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Goods Sold	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GROSS PROFIT	\$0						

EXPENSES	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Contractor Wage	\$381,116	\$211,047	\$168,000	\$687,409	\$192,000	\$192,000	\$276,000
Technology and Development	\$25,662	\$37,133	\$1,919	\$15,990	\$12,182	\$9,042	\$4,762
Marketing and Sales	\$10,599	\$9,499	\$11,225	\$36,461	\$4,340	\$0	\$0
General and Administrative	\$24,311	\$29,299	\$12,743	\$23,800	\$23,800	\$40,483	\$29,727
Other	\$0	\$0	\$13,410	\$2,300	\$0	\$0	\$0
TOTAL EXPENSES	\$441,688	\$286,977	\$207,298	\$765,960	\$232,321	\$241,524	\$310,489
OPERATING PROFIT	-\$441,688	-\$286,977	-\$207,298	-\$765,960	-\$232,321	-\$241,524	-\$310,489

Summary

The public introduction of the District Registry capped off a major milestone for the project, and is serving as an improved hub to coordinate the entry of new participants into the network, both as districts and as stakers. Wire-frames for the District Designer have been completed and development on Ethlance's remake continues to progress. We look forward to the launch of these key roadmap items as we approach 2021 and beyond.

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Learn More

For more information about the district0x Network:

- Check out our [Education Portal](#)
- Join the official [Discord server](#) or [Telegram](#)
- Watch our [intro video](#) and [live streams](#) on YouTube
- Subscribe to [email updates](#) or to our [subreddit](#)
- Follow us on [Twitter](#) and [Facebook](#)