



# district0x

## Quarterly Report Q3 2020

December 14th, 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

Product Development in Q3 was largely impacted by a surge in DeFi applications coming online to the Ethereum blockchain, causing a shortage of throughput on the network. This resulted in an unforeseen disruption to all district0x applications and forced us to redefine our roadmap in the near term. In addition to overcoming this technical hurdle, much effort was spent refactoring Ethlance 2.0, getting the District Designer prepped for QA testing, while keeping Meme Factory and the District Registry in working order. Lastly we began the search for additional developers to carry the load and help implement the new game plan that was generated.

## **Ethlance**

Many small details were fixed as we completed Ethlance's move to our new architecture, which required overcoming a few conflicts in smoothing out external libraries. Transitions and animations on the front end were completed early in the quarter. We planned an integration of github accounts to user profiles, which will allow a more seamless way for freelancers to put their work history on display. Given the developer turnover we faced, and the gas fee disruption period, our development efforts were drawn away from Ethlance for a short time during this quarter. As mentioned above, our new plan is to continue to build Ethlance 2.0 with more traditional DB architecture to reduce overhead to users.

## **d0xINFRA - District Registry + Meme Factory**

Early in the quarter, Meme Factory and District Registry had their servers fixed to stabilize their connections. The Meme Factory Twitter bot was revived to provide real time news of NFTs being submitted, voted on, bought, or sold on the site. The migration to the Infura node, noted in the previous quarter, helped stabilize the network. Alongside that, we identified some key fixes to be made to the DANK faucet, however these were complicated by the gas price environment. Overall there were no major updates made to Meme Factory or the Registry. We kept these apps in proper working order, and hosted a few meme contests/registry initiatives throughout the quarter in attempts to stimulate user growth. Given the astronomical gas fees of using the apps, our efforts were largely put on hold until after gas fees resumed reasonable levels.

# Community

During the third quarter, a majority of the community work was sharply focused on increasing the quality and reach of our live stream. We created a plan for the stream participants to direct how we allocate the stream revenue. We also had insightful conversations with several guests from the web3 ecosystem. We offered [a bounty program](#) focused on expanding the District Registry submissions. Between the bounty program and other initiatives we paid out well over 100k DNT. This included live stream rewards and rewards of ETH, DANK, and other various NFTs.

## Community-Led Initiatives

Some of the first grants have been issued so the community could organize their own events, contests, and community building initiatives. Our community member 'BruceTheGoose' minted and donated "Fast Travel Portal Cards", a quick way to visit the Meme Factory parcel in Crypto Voxels. [Verified artist RektmeRev](#) also started a new line of wearables in Crypto Voxels. [These wearables](#) have been showcased at multiple other venues and can be purchased on Open Sea.

## Meme Factory

Thanks to a new project called [Collab.land](#), we launched a [token controlled access Telegram channel](#) for the Meme Factory community. This was a small pilot program that offered the Meme Factory community more freedom to talk and share links with less of the negative aspects of a public channel.

## Ethlance

We have been experimenting with Amazon Mechanical Turks as a crypto onboarding solution specifically for Ethlance 2.0. Much of this groundwork is ready for when we launch Ethlance 2.0. The goal was to pull in users from Web2 and help them learn how to earn within the Web3 ecosystem. We believe mechanical turks is a prime demographic for the "Future of Work" we've been aiming for at Ethlance.

## The District Registry

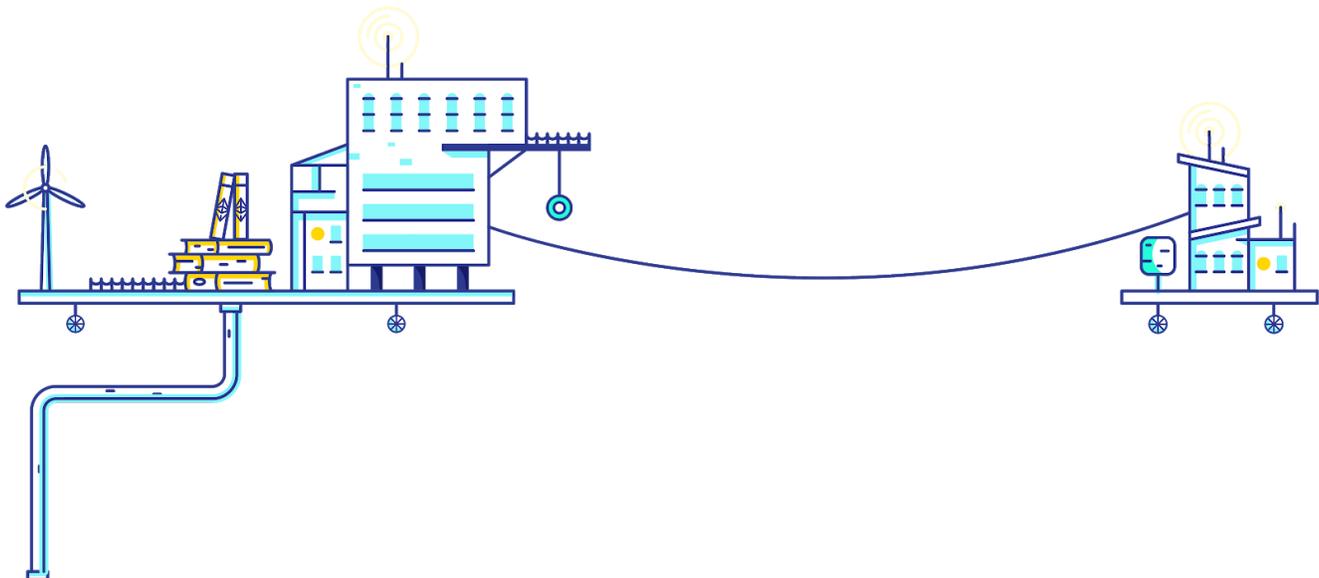
We spent a lot of time getting community feedback while testing the [District Registry](#). This resulted in new feature requests, bug reports, and suggestions for future iterations. We also began migrating district [proposals from Github](#) to the District Registry with a [new bounty program](#) for the community to earn DNT.

## The Live Stream

We increased the days and time we streamed on Twitch giving us Affiliate status. This allowed us to migrate our old stream points system to a new system that gives more flexibility and features. We reached a total of 6 new paid subscribers this quarter and 100% of subscription fees went to the Beirut Red Cross.

We then launched a number of new initiatives to expand the reach and [quality of the stream](#) so we can take full advantage of our new Affiliate benefits. Most notably the Twitch channel points are now called “Stank”. This gave our Twitch viewers the ability to burn the channel points (Stank) to trigger an airdrop of the ERC20 token for Meme Factory’s token (DANK). This has created a gamified and fun way for the community to control how DANK is distributed to other viewers. To redeem the DANK, a redemption option was [provided in the loyalty store](#).

On request of the community, we continued forward with more educational content. We hosted a special stream looking at [Scaffold-Eth](#). Scaffold Eth is a basic framework for learning and building Dapps with a template based format. We also hosted an interview with [James Young and James Duncan of Collab Land](#). We even had the pleasure of hosting [Tawei Chang of Gotem](#), a Private investigator marketplace. We dove deep into Aragon, Xdai, and DAO’s with Luke Duncan. We then had the pleasure of hosting OxMaki, General Manager of SushiSwap. Overall, it has been an exciting and eventful quarter for the live stream and we look forward to what the coming quarters bring!



# Financials

## Balance Sheet

### ASSETS

CURRENT ASSETS*	Q1 2019**	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
<b>BTC</b>	-	-	\$2,845,782	\$1,875,120	\$1,769,149	\$2,285,054	\$2,058,789
<b>ETH</b>	\$4,799,568	\$8,658,559	\$1,770,767	\$1,284,686	\$1,331,305	\$1,841,778	\$2,920,962
<b>DNT</b>	\$2,952,186	\$2,943,662	\$1,133,816	\$988,061	\$712,277	\$1,097,042	\$1,642,458
<b>GRT</b>	\$637,331	\$0	\$0	\$0	\$0	\$0	\$2,000,000
<b>KEEP</b>	\$134	\$115	\$85	\$83	\$64	\$82	\$1,279,688
<b>Prepaid Expenses</b>	-	-	-	-	\$252,000	\$238,000	\$119,000
<b>TOTAL CURRENT ASSETS</b>	<b>\$8,389,219</b>	<b>\$11,602,336</b>	<b>\$5,750,450</b>	<b>\$4,147,949</b>	<b>\$4,064,795</b>	<b>\$5,461,956</b>	<b>\$10,020,896</b>

### LIABILITIES

CURRENT LIABILITIES	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
<b>Short-Term Debt</b>	\$580,000	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$580,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*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	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Cost of Goods Sold</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>GROSS PROFIT</b>	<b>\$0</b>						

EXPENSES	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
<b>Contractor Wage</b>	\$168,000	\$687,409	\$192,000	\$192,000	\$276,000	\$180,333	\$140,250
<b>Technology and Development</b>	\$1,919	\$15,990	\$12,182	\$9,042	\$4,762	\$10,034	\$572
<b>Marketing and Sales</b>	\$11,225	\$36,461	\$4,340	\$0	\$0	\$0	\$0
<b>General and Administrative</b>	\$12,743	\$23,800	\$23,800	\$40,483	\$29,727	\$29,449	\$28,981
<b>Other</b>	\$13,410	\$2,300	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENSES</b>	<b>\$207,298</b>	<b>\$765,960</b>	<b>\$232,321</b>	<b>\$241,524</b>	<b>\$310,489</b>	<b>\$219,816</b>	<b>\$169,804</b>
<b>OPERATING PROFIT</b>	<b>-\$207,298</b>	<b>-\$765,960</b>	<b>-\$232,321</b>	<b>-\$241,524</b>	<b>-\$310,489</b>	<b>-\$219,816</b>	<b>-\$169,804</b>

# Summary

The third quarter of 2020 served as a much needed pause in our standard procedures and development practices as we rallied around a new paradigm for future marketplaces. Taking time to focus on this new direction for the project at large in reflection of the broader changes to the cryptocurrency market has yielded steady results. With several new marketplaces in the works and a new push for hiring developers in full swing, we're entering the fourth quarter harnessing a momentum purpose-built for the Ethereum ecosystem of the current day.

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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](#)