## **Animal Token**

Stray

# Smart Contract Audit Final Report







August 20, 2021



Introduction	3
About Animal Token	3
About ImmuneBytes	3
Documentation Details	3
Audit Process & Methodology	4
Audit Details	4
Audit Goals	5
Security Level References	5
High Severity Issues	6
Medium Severity Issues	7
Low Severity Issues	10
Recommendations	12
Automated Audit Result	13
Concluding Remarks	14
Disclaimer	14



## Introduction

## 1. About Animal Token

Animal Token is a project designed to help homeless animals. The main goal of the Animal Token project is to provide all possible assistance to homeless animals, such as:

- charitable activities to existing shelters
- organization of animal shelters around the world
- assistance in adoption

A separate fund is being created for assistance, to which 0.3% of each transaction will be deducted. Token holders will also be able to participate in voting related to the choice of certain measures to promote shelters and help homeless animals.

A community of people united by the idea of helping homeless animals, developing shelters and adoption will be gathered around the project.

Visit https://animaltoken.one/ to learn more about.

## 2. About ImmuneBytes

ImmuneBytes is a security start-up to provide professional services in the blockchain space. The team has hands-on experience in conducting smart contract audits, penetration testing, and security consulting. ImmuneBytes's security auditors have worked on various A-league projects and have a great understanding of DeFi projects like AAVE, Compound, 0x Protocol, Uniswap, dydx.

The team has been able to secure 65+ blockchain projects by providing security services on different frameworks. ImmuneBytes team helps start-up with a detailed analysis of the system ensuring security and managing the overall project.

Visit <a href="http://immunebytes.com/">http://immunebytes.com/</a> to know more about the services.

## **Documentation Details**

The Animal Token team has provided the following doc for the purpose of audit:

1. https://animaltoken.one/test/animaltoken\_wp.pdf



## **Audit Process & Methodology**

ImmuneBytes team has performed thorough testing of the project starting with analyzing the code design patterns in which we reviewed the smart contract architecture to ensure it is structured and safe use of third-party smart contracts and libraries.

Our team then performed a formal line-by-line inspection of the Smart Contract in order to find any potential issues like Signature Replay Attacks, Unchecked External Calls, External Contract Referencing, Variable Shadowing, Race conditions, Transaction-ordering dependence, timestamp dependence, DoS attacks, and others.

In the Unit testing phase, we run unit tests written by the developer in order to verify the functions work as intended. In Automated Testing, we tested the Smart Contract with our in-house developed tools to identify vulnerabilities and security flaws.

The code was audited by a team of independent auditors which includes -

- 1. Testing the functionality of the Smart Contract to determine proper logic has been followed throughout.
- 2. Analyzing the complexity of the code by thorough, manual review of the code, line-by-line.
- 3. Deploying the code on testnet using multiple clients to run live tests.
- 4. Analyzing failure preparations to check how the Smart Contract performs in case of bugs and vulnerabilities.
- 5. Checking whether all the libraries used in the code are on the latest version.
- 6. Analyzing the security of the on-chain data.

## **Audit Details**

- Project Name: Animal Token
- Contracts Name: Stray
- Languages: Solidity(Smart contract)
- Github commit: 6303346cfa62d5002ab055196d220e7c15faf0cc
- Github commit for final audit:83a83dc481a027ba96b6d9fc7580dcf670d8542b
- Github commit for final audit(20 August): 73d63f5484bddb668f6ce8f822ad463ffc282561
- Platforms and Tools: Remix IDE, Truffle, Truffle Team, Ganache, Solhint, VScode, Contract Library, Slither, SmartCheck



## **Audit Goals**

The focus of the audit was to verify that the smart contract system is secure, resilient, and working according to its specifications. The audit activities can be grouped into the following three categories:

- 1. Security: Identifying security-related issues within each contract and within the system of contracts.
- 2. Sound Architecture: Evaluation of the architecture of this system through the lens of established smart contract best practices and general software best practices.
- 3. Code Correctness and Quality: A full review of the contract source code. The primary areas of focus include:
  - a. Correctness
  - b. Readability
  - c. Sections of code with high complexity
  - d. Quantity and quality of test coverage

## **Security Level References**

Every issue in this report was assigned a severity level from the following:

High severity issues will bring problems and should be fixed.

Medium severity issues could potentially bring problems and should eventually be fixed.

Low severity issues are minor details and warnings that can remain unfixed but would be better fixed at some point in the future.

Issues	<u>High</u>	<u>Medium</u>	<u>Low</u>
Open	-	-	-
Closed	1	2	2 Closed 2 Acknowledged



## **High Severity Issues**

\_transfer function includes invalid token transfer for Team address
 Line no - 219

#### **Description**

During the manual code review of the updated contract it was found that the **\_transfer** function in the protocol involves a wrong transfer of tokens for the first **IF Statement condition**.

In the first **IF Statement**(Line 216-220), the tokens being transferred to the **team** address are the same as the tokens being transferred to the **recipient address**. (Line 219).

While the **team address** should receive the token amount stored in the local variable **teamAmount**, it actually receives the token amount stored in **\_toAmount** local variable.

This is an invalid logic as the amount of token transferred to the team address will be significantly larger than the actual team amount and this will break the intended behavior of the function.

```
function _transfer(address sender, address recipient, uint256 amount) private
             require(sender != address(0), "ERC20: transfer from the zero address");
209
             require(recipient != address(0), "ERC20: transfer to the zero address");
210
             require(amount > 0, "Transfer amount must be greater than zero");
211
212
             uint256 charityAmount = amount.mul(3).div(1000);
213
             uint256 teamAmount = amount.mul(2).div(1000);
214
             uint256 toAmount = amount.mul(995).div(1000);
215
             if ( isExcluded[sender] && ! isExcluded[recipient]) {
216 ▼
217
                 transferFromExcluded(sender, recipient, toAmount);
218
                  transferFromExcluded(sender, _charity, charityAmount); // _charity
                  transferFromExcluded(sender, _team, (toAmount); // team.
```

#### Recommendation

The transfer of token procedure should be thoroughly tested with adequate test scripts and the **\_transfer** function should be updated adequately to avoid the above-mentioned scenario.

**Amended (August 20th 2021):** Issue was fixed by the **Animal Token** team and is no longer present in commit <u>73d63f5484bddb668f6ce8f822ad463ffc282561</u>.



## **Medium Severity Issues**

1. Multiplication is being performed on the result of Division Line no - 208-210, 212-214, 220-222

#### **Description**

During the manual code review and automated testing of the **Stray** contract, it was found that some of the functions in the contract are performing multiplication on the result of a Division.

Integer Divisions in Solidity might be truncated. Moreover, this performing division before multiplication might lead to loss of precision.

The following functions involve division before multiplication in the mentioned lines:

\_transfer at 208-210, 212-214, 220-222

```
if (_isExcluded[sender] && !_isExcluded[recipient]) {
                              transferFromExcluded(sender, recipient, amount.div(1000).mul(995));
                     __transferFromExcluded(sender, _charity, amount.div(1000).mul(3)); // _charity _transferFromExcluded(sender, _team, amount.div(1000).mul(2)); // team
} else if (!_isExcluded[sender] && _isExcluded[recipient]) {
    _transferToExcluded(sender, recipient, amount.div(1000).mul(995));
209
210
                     __transferStandard(sender, _charity, amount.div(1000).mul(3)); // _charity _transferStandard(sender, _team, amount.div(1000).mul(2)); // team } else if (_isExcluded[sender] && _isExcluded[recipient]) {
213
215
                            _transferBothExcluded(sender, recipient, amount.div(1000).mul(995));
                             _transferFromExcluded(sender, _charity, amount.div(1000).mul(3)); // _charity
_transferFromExcluded(sender, _team, amount.div(1000).mul(2)); // team
218
219
                     } else {
                             transferStandard(sender, recipient, amount.div(1000).mul(995));
                            _transferStandard(sender, _charity, amount.div(1000).mul(3)); // _charity
                             transferStandard(sender, _team, amount.div(1000).mul(2)); // team
```



#### **Automated Test Results**

#### Recommendation

Solidity doesn't encourage arithmetic operations that involve division before multiplication.

Therefore the above-mentioned function should be checked once and redesigned if they do not lead to expected results.

Amended (August 17th 2021): Issue was fixed by the Animal Token team and is no longer present in commit 83a83dc481a027ba96b6d9fc7580dcf670d8542b.

## 2. Costly Loops found in the Protocol Line no - 184, 295

#### **Description**

The **Stray** contract has some **for loops** in the contract that include state variables like .length of a non-memory array, in the condition of the for loops.

As a result, these state variables consume a lot more extra gas for every iteration of the for loop. The following function includes such loops at the above-mentioned lines:

- includeAccount
- \_getCurrentSupply



```
function includeAccount(address account) external onlyOwner() {
182 ▼
              require( isExcluded[account], "Account is already excluded");
183
              for (uint256 i = 0; i < excluded.length; i++) {</pre>
184 ▼
185 ▼
                  if ( excluded[i] == account) {
                       excluded[i] = excluded[ excluded.length - 1];
186
                       t0wned[account] = 0;
187
                       isExcluded[account] = false;
188
189
                       excluded.pop();
190
                      break;
191
```

#### Recommendation

It's quite effective to use a local variable instead of a state variable like .length in a loop. This will be a significant step in optimizing gas usage.

```
For instance,

function includeAccount(address account) external onlyOwner() {
	require(_isExcluded[account], "Account is already included");

	uint256 local_variable = _excluded.length; // Storing Length in a local Variable
	for (uint256 i = 0; i < local_variable; i++) {
		if (_excluded[i] == account) {
			_excluded[i] = _excluded[_excluded.length - 1];
		_tOwned[account] = 0;
		_isExcluded[account] = false;
		_excluded.pop();
		break;
	}

}
```

**Amended (August 17th 2021):** Issue was fixed by the **Animal Token** team and is no longer present in commit <u>83a83dc481a027ba96b6d9fc7580dcf670d8542b</u>.



## **Low Severity Issues**

#### 1. Absence of Zero Address Validation

Line no- 131-145

#### **Description**

During the automated testing, it was found that the contract includes quite a few functions that update an imperative address in the contract like **\_rewardDistributor**, **\_marketing** etc.

However, no Zero Address Validation is implemented on the following function while updating such state variables of the contract:

- setRewardDistributorAccount
- setMarketingAccount
- setCharityAccount
- setTeamAccount

#### Recommendation

A **require** statement should be included in such functions to ensure no zero address is passed in the arguments.

Acknowledged (August 17th 2021): Intended functionality by the Animal Token.

#### 2. External Visibility should be preferred

#### **Description**

Those functions that are never called throughout the contract should be marked as **external** visibility instead of **public** visibility.

This will effectively result in Gas Optimization as well.

Therefore, the following function must be marked as **external** within the contract:

- reflectionFromToken()
- totalFees()
- reflect()
- isExcluded()

#### Recommendation

If the PUBLIC visibility of the above-mentioned functions is not intended, then the EXTERNAL Visibility keyword should be preferred.



**Amended (August 17th 2021):** Issue was fixed by the **Animal Token** team and is no longer present in commit <u>83a83dc481a027ba96b6d9fc7580dcf670d8542b</u>.

#### 3. Constant declaration should be preferred

Line no- 24, 25, 26, 33, 35

#### Description

State variables that are not supposed to change throughout the contract should be declared as **constant**.

#### Recommendation

The following state variables need to be declared as **constant**, unless the current contract design is intended.

- \_burnAddress
- \_decimals
- \_monthlyDistribution
- \_name
- \_symbol

Acknowledged (August 17th 2021): Intended functionality by the Animal Token.

#### 4. Redundant State Variable Update

Line no: 36

#### Description

The **Stray** Smart contract involves the redundant updating of a State variable in the contract at the above-mentioned line

```
36    uint256 private _distributedMonths = 0;
37
```

A boolean variable is by-default initialized to FALSE whereas a uint256 is initialized to ZERO. Hence, such state variables do not need to be initialized explicitly.

#### Recommendation

Redundant initialization of state variables should be avoided.

**Amended (August 17th 2021):** Issue was fixed by the **Animal Token** team and is no longer present in commit <u>83a83dc481a027ba96b6d9fc7580dcf670d8542b</u>.



## Recommendations

#### 1. Contract includes Hardcoded Addresses

Line no - 33

#### **Description**

Keeping in mind the immutable nature of smart contracts, it is not considered a better practise to hardcode any address in the contract before deployment.

#### Recommendation

Instead of including hardcoded addresses in the contract, initialize those addresses within the constructors at the time of deployment.

#### 2. NatSpec Annotations must be included

#### **Description**

The smart contracts do not include the NatSpec annotations adequately.

#### Recommendation

Cover by NatSpec all Contract methods.



## **Automated Audit Result**

```
Compiled with solc
Number of lines: 905 (+ 0 in dependencies, + 0 in tests)
Number of assembly lines: 0
Number of contracts: 6 (+ 0 in dependencies, + 0 tests)
Number of optimization issues: 22
Number of informational issues: 72
Number of low issues: 6
Number of medium issues: 12
Number of high issues: 0
ERCs: ERC20
           | # functions | ERCS |
                                        ERC20 info
                                                       | Complex code |
  SafeMath
                  13
                                                              No
  Address
                  11
                                                              No
                                                                           Send ETH
                                                                         Delegatecall
                                                                           Assembly
   STRAY
                  51
                           ERC20
                                        No Minting
                                                              No
INFO:Slither:FlatStray.sol analyzed (6 contracts)
```



## **Concluding Remarks**

While conducting the final audit of the Animal Token smart contract, it was observed that the contracts contain High severity issues along with a few areas of recommendations.

Our auditors suggest that High severity issues should be resolved by Animal Token developers. The recommendations given will improve the operations of the smart contract.

## **Disclaimer**

ImmuneBytes's audit does not provide a security or correctness guarantee of the audited smart contract. Securing smart contracts is a multistep process, therefore running a bug bounty program as a complement to this audit is strongly recommended.

Our team does not endorse the Animal Token platform or its product nor this audit is investment advice. Notes:

- Please make sure contracts deployed on the mainnet are the ones audited.
- Check for the code refactor by the team on critical issues.

**ImmuneBytes**