



# INVENTORY CONTROLS DEMAND RESPONSE PARTS (#25-17)

Terry Follmer, Chief Audit Executive

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## Executive Summary

The fiscal year 2025 Audit Plan approved by the CapMetro Board of Directors included an assurance review of the demand response inventory parts to ensure adequate controls, compliance with contracts, policies, procedures, and regulatory requirements. The audit results including the objective, scope and conclusion are as follows.

## Background

CapMetro implemented the [Hexagon Enterprise Asset Management](#) (EAM) system in 2020 which is used to manage fixed assets (e.g., vehicles, facilities, HVAC, etc.) and spare parts inventory for vehicles and facilities related preventive and unplanned maintenance as recommended by the original equipment manufacturer. The purpose of EAM systems is to enable better, more strategic decisions that extend the asset life cycle, increase safety, and enable cost efficiencies. EAMs allow organizations to manage the life cycle of assets from cradle to grave including scheduled preventive work orders and unscheduled repairs in an organized and efficient manner

CapMetro has a contract with MTM to manage the demand response fleet, which includes providing the labor to maintain the vehicles and receive, store and issue parts to maintenance Work Orders and maintain the fleet in a state of good repair. Effective 1/1/2025, CapMetro took ownership of the parts and took responsibility for ordering and monitoring the parts, while MTM is responsible for the physical management of the parts. The MTM contract requires them to perform a physical inventory of materials in stores every year and a physical inventory of all CapMetro property at least once every two years. Cycle count adjustments entered by MTM into Hexagon are reviewed and approved by the Parts Manager/Parts Supervisor before posting to Hexagon EAM.

CapMetro's fleet of 271 demand response vehicles often involves three manufacturers: one for the chassis (e.g., Ford, Chevy, or Dodge) and another for the coach building (e.g., Turtle Top or New England Wheels). This customization adds complexity to the maintenance and management of the fleet, which spans five manufacturers (Turtle Top (94), Dodge (92) and Ford (46), New Eng. Wheels (23), and Champion (20)). There are also 75 new Dodge Promaster vans still being processed into the EAM system, therefore the new vehicles are not yet in service.

CapMetro's demand response parts are stored in three primary warehouse locations and includes approximately 1,900 Stock Keeping Units (SKUs) valued at approximately \$595,000 within the Hexagon asset management system, which tracks current inventory levels and historical usage as of 9/30/2025 as:

Type	Store	In Service		
		SKU	Quantity	Value on Hand
Demand Response (DR)	509_06	1,252	9,122	\$319,250
	817_01	653	4,831	\$274,804
Total		1,905	13,953	\$594,054

The Oracle accounting records are updated real time for procurement activity (i.e., orders and receipts) however, Oracle accounting system records are only updated once a month via manual journal entry for parts issued, cycle count monthly results and other adjustments. Additionally, the Oracle general ledger only has one asset inventory part account (EAM Parts 1030101), and one inventory part expense account (Maintenance Materials- 5049920). Due to the lack of specific accounts in Oracle for the Balance Sheet and Income Statements, the Oracle general ledger cannot produce meaningful reports that are useful to Demand Response Operations.

## Audit Objective & Scope

The objective of the demand response parts audit was to evaluate demand response part records and internal controls related to the completeness and accuracy of the demand response part records, as well as the procure to payment controls. The scope included a review of FY2025 demand response part records in the Hexagon system and related procure to pay records in the Oracle system, data analytics on the completeness and accuracy of data in Hexagon, and a review of the policies and procedures that are used to manage the lifecycle asset records updates in the Hexagon system. We obtained and tested inventory data from Hexagon as of 07/17/2025, and Oracle data from 10/01/2024 to 08/26/2025.

## Opinion

In our opinion, internal controls are generally in place and functioning over CapMetro's Hexagon Enterprise Asset Management system. We identified some areas where internal controls could be further strengthened as follows:

Issues & Risk	Risk Rating	Status	Target Completion Date
1. <a href="#">Cycle Counts - Establish Baseline &amp; Set Target Goals for MTM &amp; CapMetro</a>	Medium	Open	2/1/2026
2. <a href="#">MTM Contract – Inventory Parts Requirements &amp; SOP's</a>	Medium	Open	2/1/2026

More details regarding the issues/risks and recommendations can be found below in the detailed audit report.

This audit was conducted in accordance with the US Government Accountability Office's Generally Accepted Government Auditing Standards (GAGAS) and the Institute of Internal Auditor's Global Internal Audit Standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The audit was conducted by the following staff members in the Capital Metro Internal Audit Department:

- Amy Parekh, Internal Auditor II
- Terry Follmer, CAE

Recommendations to strengthen controls and improve accountability were provided to management. Management agrees with the internal audit recommendations and has provided target completion dates which are included in the detailed audit report below. A follow-up audit is performed semi-annually (i.e., May and November) to ensure management action plans for all issued audit reports are completed in a timely manner.

We appreciate the cooperation and assistance provided to us throughout this audit.

## Risk Rating Definitions

**Ratings Definitions-** Auditors used professional judgment and rated the audit findings identified in this report. The issue ratings identified for each issue were determined based on the degree of risk or effect of the findings in relation to the audit objective(s).

Rating	Issues identified	Action required
HIGH	Issues identified present risks or effects that if not addressed could critically affect the audited entity's ability to effectively administer the program(s)/function(s) audited.	Immediate action is required to address the noted concern(s) and reduce risks to the audited entity.
MEDIUM	Issues identified present risks or effects that if not addressed could substantially affect the audited entity's ability to effectively administer the program(s)/function(s) audited.	Prompt action is essential to address the noted concern(s) and reduce risks to the audited entity.
LOW	Issues identified present risks or effects that if not addressed could moderately affect the audited entity's ability to effectively administer the program(s)/function(s) audited.	Action is needed to address the noted concern(s) and reduce risks to a more desirable level.

**Ratings methodology-** In determining the ratings of audit findings, auditors considered factors such as:

1. Financial impact
2. Potential failure to meet program/function objectives
3. Noncompliance with state statute(s), rules, regulations, and other requirements or criteria
4. The inadequacy of the design and/or operating effectiveness of internal controls
5. Evidence of potential fraud, waste, or abuse
6. Significant control environment issues
7. Little to no corrective action for issues previously identified

Auditors also identified and considered other factors when appropriate.

## Audit Report

Issues & Risk	Risk Rating	Recommendation	Management Action Plan																		
	MEDIUM																				
<p><b><u>1. Cycle Counts - Establish Baseline &amp; Set Target Goals for MTM &amp; CapMetro</u></b></p> <p>We benchmarked CapMetro against the other Texas transit agencies and noted they all rely on cycle counts to validate the accuracy of parts records and only perform full physicals in special situations (e.g. installing new EAM or ERP systems). MTM is responsible for performing the demand response parts cycle counts, however, cycle count baselines and target goals have not been explicitly set for MTM.</p> <p>Through data analytics of the Hexagon parts records, the Internal Audit Department was able to establish the following baseline using the cycle count records from the last 10 months:</p> <table><tr><th rowspan="2">Type</th><th rowspan="2">Value on Hand</th><th rowspan="2">Total SKUs in Listing</th><th rowspan="2">Counted SKUs</th><th rowspan="2">Percent of SKUs counted annually</th><th colspan="3">Results</th></tr><tr><th>Qty Accurate no adjustments</th><th>Qty Positive adjustments</th><th>Qty Negative adjustments</th></tr><tr><td>DR</td><td>\$594,055</td><td>1,905</td><td>1,517</td><td>79.5%</td><td>55.3%</td><td>18.9%</td><td>25.8%</td></tr></table> <p>We believe the effectiveness of the cycle count program can be better measured by establishing a formal baseline and target goals for MTM.</p> <p>See <a href="#">Appendix A</a> for details.</p> <p><b><u>Baseline defined:</u></b> a historical statistic to measure against in the future to gauge progress. In the table above some baselines to measure progress against are: 79.5% of SKU’s are cycle counted annually; 55.3% of cycle counts require no adjustment as physical quantity matches Hexagon; positive adjustments are required 18.9% of the time versus 25.8% of adjustments are negative.</p>	Type	Value on Hand	Total SKUs in Listing	Counted SKUs	Percent of SKUs counted annually	Results			Qty Accurate no adjustments	Qty Positive adjustments	Qty Negative adjustments	DR	\$594,055	1,905	1,517	79.5%	55.3%	18.9%	25.8%	<p>The Superintendent of Demand Response Maintenance should consider implementing the following cycle count enhancements using Power BI:</p> <ul style="list-style-type: none"><li>a) <b><u>Establish Baseline</u></b> - using historical cycle count results from the last 12 months for the following areas: 79.5% of SKU’s cycle counted annually; 44.7% of cycle counts that had differences; for unit count adjustments, 25.8% of that was a negative adjustment (meaning missing parts) versus a 18.9% positive adjustment.</li><li>b) <b><u>Set Target Goals for MTM &amp; CapMetro</u></b> - measure cycle count actual performance against goals and historical baseline.</li><li>c) <b><u>Periodic Reporting</u></b> - Periodic reporting (Monthly/Quarterly) to MTM and CapMetro management showing actual cycle count results against target goals and historical baseline.</li><li>d) Develop a systematic solution within Hexagon to differentiate true inventory stock takes from all other stock adjustments.</li></ul>	<p>Management agrees and has developed the action plan below:</p> <ul style="list-style-type: none"><li>a) <b><u>Baseline</u></b> – Weekly cycle counts implemented 02/01/2025. Will continue on this schedule through 2026.</li><li>b) <b><u>KPI Target Goal</u></b> – FY26 +/- 5% between Start value and End Value per count. Already implemented. Weekly cycle counts with 100% of SKU counted annually.</li><li>c) <b><u>Periodic Reporting</u></b> – Reporting is already filled on Parts and Inventory KPI tracking sheet for both weekly and Monthly.</li><li>d) <b><u>Working Group</u></b> – We will work the new cross functional working group on a solution.</li></ul>
Type						Value on Hand	Total SKUs in Listing	Counted SKUs	Percent of SKUs counted annually	Results											
	Qty Accurate no adjustments	Qty Positive adjustments	Qty Negative adjustments																		
DR	\$594,055	1,905	1,517	79.5%	55.3%	18.9%	25.8%														

Issues & Risk	Risk Rating	Recommendation	Management Action Plan
	MEDIUM		
<b>2 MTM Contract – Inventory Parts Requirements &amp; SOP's</b> CapMetro's took over ownership of the Demand Response Parts inventory on January 01, 2025, which is valued at \$595,000 and is comprised of 1,900 SKU's to maintain the demand response fleet. CapMetro is responsible for ordering and monitoring parts, while MTM provides the labor to maintain the vehicles and receive, store and issue parts to Work Orders as well as perform cycle counts. The MTM contract (Exhibit E, Section 65, Management of CapMetro Property in the Possession of Contractors) requires annual physical inventories of materials in stores, reconciliation of balances, recording of adjustments, and approval of those adjustments. (See <a href="#">Appendix B</a> for full contract language)  We reviewed the controls related to the accuracy of parts and noted the following opportunities: <ul style="list-style-type: none"><li>• Cycle counts are being performed but no baseline and goals have been set (see issue #1) and not all SKU's are being counted every year.</li><li>• The Finance Department has not established any inventory policies/procedures covering physical inventories, cycle counts, etc.</li><li>• <u>All Manual, No Automation</u> - The two locations (North Base and South Base DR Operation) where the parts are stored have not placed bar codes on the bins or parts, therefore, all recordkeeping is done manually with paper and pen and then manually keyed into the Hexagon system based for the following processes:<ul style="list-style-type: none"><li>○ Receiving: Clerk enters data, supervised by Parts Manager.</li><li>○ Cycle Count: Parts Manager enters and approves counts.</li><li>○ Put-Away: Clerks verify and place parts, with oversight</li></ul></li><li>• <u>Parts Stratification</u> - we fully support management's plan to stratify parts and provide different cycle count frequencies (e.g. annual vs quarterly, etc.) based upon criticality, materiality, etc...</li></ul> Inventory controls help ensure the accuracy of the 1,900 SKU's and parts are available when needed for mechanical maintenance, the accuracy of the parts inventory on the Balance Sheet, and that errors and irregularities in missing parts are detected timely. See actual cycle counts results at <a href="#">Appendix A</a> .		The Superintendent of Demand Response Maintenance should join the new cross-functional working group (Operations, Finance, IT) led by the Superintendent of Bus Parts, and participate in the following system and business process improvements: : <ul style="list-style-type: none"><li>a) Create and analyze parts balances and identify process and system improvements in an annual plan with stated goals (e.g. system enhancements; cycle count coverage; MTM contractual physical inventory requirements; etc.). The group will also develop tools (e.g. exception reports, analysis, etc.) to identify and discuss reasons for any significant changes in inventory and expense balances.</li><li>b) Demand Response Operations should create and/or update existing policies and procedures related to how/when/who will be responsible for ongoing cycle counts and any physical inventory performed. Finance should participate in changes to SOP's and include a hierarchy of notifications and approvals needed within Operations and Finance management based upon materiality level of the cycle count adjustments.</li><li>c) Participate with the new cross functional working group to determine on a cost-benefit basis whether the following automations can be implemented: bar code inventory locations (e.g., bins); automation of data transmissions (EDI/API/FTP) communications in Oracle with the vendors.</li><li>d) Add a required justification field for every stock adjustment to separate true discrepancies from input errors and improve accountability.</li><li>e) Participate through the joint working group in potentially updating the Oracle chart of accounts and the roll-up structure of the 1,900 SKU parts from Hexagon EAM into categories which in turn will roll-up into the to be determined new Oracle general ledger chart of accounts. (See Appendixes C &amp; D for chart of accounts examples from DART and METRO.)</li></ul>	Management agrees and has developed the action plan below:  DR is using the already created SOPs for Parts and Inventory.  DR will participate in the upcoming focus group with all invested departments. There may be slight differences to the DR approach due to differences in procurement etc. (locally available inventory as an example).  <b><u>Target Completion Dates:</u></b> <ul style="list-style-type: none"><li>a) 02/01/2026</li><li>b) Currently in use, 02/1/2026</li><li>c) Pending group invites</li><li>d) In process 12/31/2025</li><li>e) Pending group invites</li></ul>

## Appendices

### *Appendix A Inventory Cycle Count Performance Baseline*

#### **Inventory Cycle Count Performance Baseline for the last 12 months: (filtered for in services parts)**

Type	Value on Hand	Total SKUs in Listing	Counted SKUs	Percent of SKUs counted annually	Results		
					Qty Accurate no adjustments	Qty Positive adjustments	Qty Negative adjustments
DR	\$594,055	1,905	1,517	79.5%	55.3%	18.9%	25.8%

#### **Applied filters:**

**Out of Serv is -**

**Type is DR**

**Age Bucket is 12 months**



## Appendix B MTM Inventory Contract Requirements

### Contract requirements-MTM

#### (Exhibit E, Section 65, Mgmt of CapMetro Property in the Possession of Contractors)

##### CAPMETROPOLITAN TRANSPORTATION AUTHORITY

material from Contractor-owned stores is charged to the contract on which the material is to be used. The supporting document or issue slip shall show the contract number or equivalent code designation to which the issue is charged.

(3) Custodial records. The Contractor shall maintain custodial records for tool crib items, guard force items, protective clothing, and other items issued to individuals for use in their work.

(4) Use of receipt and issue documents. The property administrator may authorize the Contractor to maintain, in lieu of stock records, a file of appropriately cross-referenced documents evidencing receipt, issue, and use of CapMetro-provided material that is issued for immediate consumption and is not entered in the inventory record as a matter of sound business practice. This method of control may be authorized for-

(i) Material charged through overhead;

(ii) Material under research and development contracts;

(iii) Subcontracted or outside production items;

(iv) Nonstock or special items;

(v) Items that are produced for direct charge to a contract, or are acquired and issued for installation upon receipt, and involve no spoilage; and

(vi) Items issued from Contractor-owned inventory direct to production or maintenance, etc.

(5) The Contractor shall take physical inventories of material in stores included in the systems (other than work-in-process) at least annually, extend and reconcile prices to the quantitative balance for each item, and record adjustments in the stock record and financial inventory control accounts. Such physical inventories and adjustments, as well as equitable distribution to cost accounts of any inventory losses, shall be reviewed by and are subject to the approval of the property administrator.

##### (l) Records of Real Property

The Contractor shall maintain an itemized record of the description, location, acquisition cost, and disposition of all CapMetro real property (including unimproved real property); all alterations, all construction work, and sites connected with such alteration and construction, acquired by purchase, lease, or otherwise. These records, including maps, drawings, plans, specifications, and supplementary data where necessary, shall-

(1) Be complete,

(2) Show the original cost of the property and improvements and the cost of any changes and additions, and

(3) Be appropriately indexed.

##### (m) Records of Scrap or Salvage

(1) The Contractor shall maintain records of all scrap or salvage generated. These records shall conform to the Contractor's established system of scrap and salvage control approved by the property administrator.

(2) The Contractor's property control system shall provide the following information:

(i) Contract number, if practical, or equivalent code designation from which the scrap or salvage derived.

(ii) Nomenclature or description of salvable items or classification (material content) of scrap.

(iii) Quantity on hand.

##### CAPMETROPOLITAN TRANSPORTATION AUTHORITY

The Contractor shall periodically, but not less than every two (2) years, physically inventory all CapMetro property (except materials issued from stock for manufacturing, research, design, or other services required by the contract) in its possession or control and shall cause subcontractors to do likewise. The Contractor, with the approval of the property administrator, shall establish the type, frequency, and procedures. These may include electronic reading, recording and reporting or other means of reporting the existence and location of the property and reconciling the records. Type and frequency of inventory should be based on the Contractor's established practices, the type and use of CapMetro property involved, or the amount of CapMetro property involved and its monetary value, and the reliability of the Contractor's property control system. Type and frequency of physical inventories normally will not vary between contracts being performed by the Contractor but may vary with the types of property being controlled. Personnel who perform the physical inventory shall not be the same individuals who maintain the property records or have custody of the property unless the Contractor's operation is too small to do otherwise.

##### (s) Inventories Upon Termination or Completion

(1) General. Immediately upon termination or completion of a contract, the Contractor shall perform and cause each subcontractor to perform a physical inventory, adequate for disposal purposes, of all CapMetro property applicable to the contract, unless the requirement is waived as provided in paragraph (2) of this section.

(2) Exception. The requirement for physical inventory at the completion of a contract may be waived by the property administrator when the property is authorized for use on a follow-on contract; provided, that-

(i) Experience has established the adequacy of property controls and an acceptable degree of inventory discrepancies; and

(ii) The Contractor provides a statement indicating that record balances have been transferred in lieu of preparing a formal inventory list and that the Contractor accepts responsibility and accountability for those balances under the terms of the follow-on contract.

(3) Listings for disposal purposes.

(i) Standard items that have been modified may be described on listings for disposal purposes as standard items with a general description of the modification.

(ii) Items that have been fabricated, such as test equipment, shall be described in sufficient detail to permit a potential user to determine whether they are of sufficient interest to warrant further inspection.

##### (t) Reporting Results of Inventories

The Contractor shall, as a minimum, submit the following to the property administrator promptly after completing the physical inventory:

(1) A listing that identifies all discrepancies disclosed by a physical inventory.

(2) A signed statement that physical inventory of all or certain classes of CapMetro property was completed on a given date and that the official property records were found to be in agreement except for discrepancies reported.

##### (u) Quantitative and Monetary Control

When requested by CapMetro, the Contractor's reports of results of physical inventory shall be prepared on a quantitative and monetary basis and segregated by categories of property.

##### (v) Care, Maintenance, and Use

The Contractor shall be responsible for the proper care, maintenance, and use of CapMetro property in its possession or control from the time of receipt until properly relieved of responsibility, in accordance with sound industrial practice

*Appendix C Dallas Area Rapid Transit (DART)-General Ledger chart of accounts*

**Dallas Area Rapid Transit (DART)-General Ledger chart of accounts used to track Parts Inventory on the Balance Sheet, and Part Expenses on the Income Statement:**

Type	Account Number	Account Name
Balance Sheet	13100-0000	MATERIALS & SUPPLIES INVENTORY
Balance Sheet	13105-0000	MAT.&SUPPLIES - E/S
Balance Sheet	13106-0000	Mat. & Supplies-ED Overhaul
Balance Sheet	13107-0000	MAT.&SUPPLIES-NWROF WSA
Balance Sheet	13108-0000	MAT.&SUPPLIES-NWROF LRV
Balance Sheet	13110-0000	MAT.&SUPPLIES - O/C 02-10
Balance Sheet	13111-0000	MAT.& SUPPLIES-O/C 2A-10
Balance Sheet	13120-0000	MAT.&SUPPLIES - N/W
Balance Sheet	13125-0000	MAT.&SUPPLIES - E/D Main
Balance Sheet	13130-0000	MAT.&SUPPLIES - Surplus
Balance Sheet	13135-0000	MAT.&SUPPLIES - FAC/M
Balance Sheet	13140-0000	MAT. & SUPPLIES - RAIL
Balance Sheet	13155-0000	MAT.&SUPPLIES-OBSOLETE INV.
Balance Sheet	13160-0000	INV - Srv & Inspctn Facility
Balance Sheet	13180-0000	Contract Spares
Balance Sheet	13185-0000	Insurance Inventory Items
Balance Sheet	13500-0000	Streetcar Parts
Balance Sheet	13510-0000	Streetcar Parts - Contra
Balance Sheet	13200-0000	INV - PCARD PURCHASES
Balance Sheet	13215-0000	INV - KIT CLEARING
Balance Sheet	13240-0000	INV - INV IN TRANSIT / SPEAR
Balance Sheet	13800-0000	ALLOW INV OBSOLESCENCE/SURPLUS

*Appendix C – continued*

Type	Account Number	Account Name	Type	Account Number	Account Name
Income Statement	54032-0000	Cleaning System	Income Statement	54131-0000	Computer Software
Income Statement	54045-0000	Conditioned Based Maintenance	Income Statement	54133-0000	Communications & Fax Equip
Income Statement	54050-0000	Radios and Communications	Income Statement	54134-0000	Office Furniture & Equipment
Income Statement	54055-0000	Corrective Based Maintenance	Income Statement	54135-0000	Training Supplies & Equipment
Income Statement	54065-0000	Fixed Scheduled Maintenance	Income Statement	54154-0000	Computer Supplies
Income Statement	54081-0000	Rebuilt Parts - Charge Backs	Income Statement	54139-0000	Non-Standard Office Supplies
Income Statement	54401-0000	Warrant Credits - Bus	Income Statement	54140-0000	Standard Office Supplies
Income Statement	54402-0000	Warrant Credits - Rail	Income Statement	54141-0000	Copy Machine Supplies
Income Statement	54406-0000	Unidentified Efficiencies	Income Statement	54142-0000	NOC Expendable Supplies
Income Statement	54414-0000	Inventory - Cycle Count	Income Statement	54143-0000	Printing Supplies
Income Statement	54415-0000	Inventory - Loss/Gain	Income Statement	54144-0000	Photographic Supplies
Income Statement	54416-0000	Inventory - Damage	Income Statement	54145-0000	Postage
Income Statement	54417-0000	Inventory - Price Discrepancy	Income Statement	54146-0000	M&S Credit Card Purchases
Income Statement	54418-0000	Inv-Obsolescence & Surplus	Income Statement	54148-0000	Food & Coffee Supplies
Income Statement	54419-0000	Inventory - Restocking Fee	Income Statement	54149-0000	Promotional Supplies
Income Statement	54424-0000	PO Variance Account	Income Statement	54150-0000	Shop Tools & Equipment
Income Statement	54425-0000	Freight/Shipping Charges	Income Statement	54151-0000	Cleaning Supplies
Income Statement	54426-0000	Discounts Taken	Income Statement	54152-0000	Safety Supplies & Equipment
Income Statement	54430-0000	Diesel Fuel	Income Statement	54155-0000	Special Events Supplies
Income Statement	54431-0000	CNG Fuel	Income Statement	54158-0000	Misc Shop Supplies
Income Statement	54432-0000	LNG Fuel	Income Statement	54215-0000	BATTERY
Income Statement	54433-0000	Engine Oil	Income Statement	54241-0000	RECTIFIER/TRANSFORMER
Income Statement	54434-0000	Transmission Fluid	Income Statement	54242-0000	DC SWITCHGEAR
Income Statement	54435-0000	Antifreeze	Income Statement	54243-0000	AUXILIARY EQUIPMENT
Income Statement	54436-0000	Gasoline	Income Statement	54245-0000	TRACK MATERIALS
Income Statement	54437-0000	NRV Fuel	Income Statement	54256-0000	CCTV
Income Statement	54438-0000	Dart Contra Fuel Hedge	Income Statement	54264-0000	LRV COMM. & RADIO
Income Statement	54440-0000	Tires and Tubes	Income Statement	54265-0000	RAIL MATERIALS & SUPPLIES
Income Statement	54441-0000	Tires and Tubes Installation	Income Statement	54267-0000	MECHANICAL SUPPLIES
Income Statement	54103-0000	Signs	Income Statement	54270-0000	Conditioned Based Rail
Income Statement	54105-0000	Parts Credit card Purchases	Income Statement	54275-0000	Corrective Based Rail
Income Statement	54110-0000	Parts - Building Repairs	Income Statement	54280-0000	Fixed Schedule-Rail
Income Statement	54111-0000	Parts Equipment Repairs	Income Statement	54300-0000	Safety Shoes
Income Statement	54112-0000	Electrical Supplies	Income Statement	54301-0000	Uniforms
Income Statement	54113-0000	Lighting Supplies	Income Statement	54303-0000	Police Equipment
Income Statement	54114-0000	HVAC Supplies	Income Statement	54305-0000	Watch Repair
Income Statement	54116-0000	Machinery Lubricants	Income Statement	54310-0000	Maint Equip Allowance
Income Statement	54125-0000	Amenities Program	Income Statement	54315-0000	NRV Maintenance Contra Acct
Income Statement	54126-0000	Wellness Program Equipment	Income Statement	54510-0000	M&S - DART Store Inv Purchases
Income Statement	54130-0000	PCs and Other Comp Equip			

## Appendix D Houston METRO-General Ledger Chart of Accounts

Balance Sheet:
Maintenance Parts
Unit Rebuild Parts
Allowance for Obsolete Parts
Prepaid - Spare Parts

**Houston METRO-General Ledger chart of accounts used to track Parts Inventory on the Balance Sheet, and Part Expenses on the Income Statement:**

Income Statement:	
Air System Parts	Parts-Overhead Contact System
Door Parts	Parts-Pantograph
Exhaust System Parts	Parts-Pasngr Info System
Gain/Loss - Inventory - Parts	Parts-Passenger Info System
Heating System Parts	Parts-Propulsion
Metrolift Parts	Parts-Radio
Non-Rev Vehicle Parts	Parts-Rail Cab Equip
Off-Rd Vehicle Parts	Parts-Rail Cab Equipment
Outside Maint-Parts	Parts-Rail Coupler
Parts A/C And Heat	Parts-Rail Trucks
Parts Chassis	Parts-Refurbish External
Parts Electrical	Parts-SCADA System
Parts Electronic	Parts-Sign Equipment
Parts-Aux Pwr Supply	Parts-Signals
Parts-Auxiliary Power Supply	Parts-Substations
Parts-Ballasted Track	Parts-Train Cntrl Net
Parts-Batteries	Parts-Train Control Net
Parts-CNG Fuel System	Parts-Transmission
Parts-Communications	Parts-Washer Maintenance
Parts-Embedded Track	Parts-Washer Maintnnc
Parts-Embedded Tracks	Parts-Wheelchair Lfts
Parts-Engine	Parts-Wheelchair Lifts
Parts-Farebox	Transfer-Parts & Gasoline Allocation
Parts-Highway Grade Crossing	Unapplied Parts & Supplies
Parts-IBIS	Wheel Parts
Parts-Interlocking Subsystems	