

Note 21: Segment Information

The Company's operating segments are comprised of the revenue-generating components of its businesses for which separate financial information is internally produced and regularly used by management to make operating decisions, assess performance and allocate resources. The Company operates its businesses primarily through one reportable segment, the Regulated Businesses segment. The Company also operates market-based businesses that, individually, do not meet the criteria of a reportable segment in accordance with GAAP, and are collectively presented as the Market-Based Businesses.

The Regulated Businesses segment is the largest component of the Company's business and includes subsidiaries that provide water and wastewater services to customers in 14 states.

The Company's primary Market-Based Businesses include MSG, which enters into long-term contracts with the U.S. government to provide water and wastewater services on various military installations, and the Company's former HOS business, which was sold in the fourth quarter of 2021, and previously provided various warranty protection programs and other home services to residential customers.

The accounting policies of the segments are the same as those described in Note 2—Significant Accounting Policies. The Regulated Businesses segment and Market-Based Businesses include intercompany costs that are allocated by Service Company and intercompany interest that is charged by AWCC, both of which are eliminated to reconcile to the Consolidated Statements of Operations. Inter-segment revenues include the sale of water from a regulated subsidiary to market-based subsidiaries, leased office space, and furniture and equipment provided by the market-based subsidiaries to regulated subsidiaries. "Other" includes corporate costs that are not allocated to the Company's operating segments, eliminations of inter-segment transactions, fair value adjustments, and associated income and deductions related to the acquisitions that have not been allocated to the operating segments for evaluation of performance and allocation of resource purposes. The adjustments related to the acquisitions are reported in Other as they are excluded from segment performance measures evaluated by management.

Presented in the tables below is summarized segment information as of and for the years ended December 31:

	2021			
	Regulated Businesses	Market-Based Businesses	Other	Consolidated
Operating revenues	\$ 3,384	\$ 563	\$ (17)	\$ 3,930
Depreciation and amortization	601	22	13	636
Total operating expenses, net	2,227	510	(3)	2,734
Interest expense	(290)	(7)	(106)	(403)
Interest income	1	3	—	4
Gain or (loss) on sale of businesses	(1)	748	—	747
Income before income taxes	962	798	(120)	1,640
Provision for income taxes	172	248	(43)	377
Net income attributable to common shareholders	789	550	(76)	1,263
Total assets	23,365	514	2,196	26,075
Cash paid for capital expenditures	1,747	8	9	1,764