

## Tax Information Per Unit

## Second Quarter Report 2020

### MONTHLY DISTRIBUTIONS PAID ON: (\$/UNIT EXCEPT COST DEPLETION FACTORS)

	May 14, 2020	June 12, 2020	July 14, 2020	Total
Gross Income .....	\$ 0.108385	\$ 0.075275	\$ 0.062925	\$ 0.246585
Less Severance Taxes .....	(0.017489)	(0.010277)	(0.009637)	(0.037403)
Interest Income .....	0.000165	0.000042	0.000017	0.000224
Less Administration Expenses .....	(0.005173)	(0.008763)	(0.010638)	(0.024574)
Reconciling Items .....	0.000000	0.000000	0.000000	0.000000
<b>NET CASH DISTRIBUTION</b> .....	<b>\$ 0.085888</b>	<b>\$ 0.056277</b>	<b>\$ 0.042667</b>	<b>\$ 0.184832</b>

#### Cost Depletion Factors:

Texas - 90% .....	0.004971	0.004086	0.005926	0.014983
Oklahoma - 90% .....	0.010951	0.010989	0.009347	0.031287
New Mexico - 90% .....	0.008959	0.004300	0.004592	0.017851
Texas - 75% .....	0.000000	0.000000	0.000000	0.000000
Oklahoma - 75% .....	0.002990	0.008306	0.000000	0.011296

Unit holders owning units in nominee name may obtain monthly tax information from the Trustee upon request or from the Trust's web site at [www.crt-cross timbers.com](http://www.crt-cross timbers.com).

Cross Timbers Royalty Trust 2911 Turtle Creek Blvd, Ste 850, Dallas, TX 75219  
855.588.7839 ■ Simmons Bank, Trustee ■ [www.crt-cross timbers.com](http://www.crt-cross timbers.com)



# Cross Timbers Royalty Trust

## 2<sup>nd</sup> Quarter Report 2020

## To Unitholders:

For the quarter ended June 30, 2020, net profits income was \$1,255,092 compared to \$1,857,396 for second quarter 2019. This 32% decrease in net profits income is primarily the result of decreased oil and gas prices (\$1.3 million) and decreased gas production (\$0.3 million), partially offset by decreased production expenses (\$0.4 million), increased oil production (\$0.2 million), decreased taxes, transportation and other costs (\$0.2 million), and decreased development costs (\$0.2 million).

After considering interest income of \$1,350 and administration expense of \$147,450, distributable income for the quarter ended June 30, 2020 was \$1,108,992, or \$0.184832 per unit of beneficial interest. Administration expense for the quarter increased \$3,085 from the prior year quarter, primarily related to the timing of receipt and payment of Trust expenses and terms of professional services. Changes in interest income are attributable to fluctuations in net profits income and interest rates. For second quarter 2019, distributable income was \$1,719,888, or \$0.286648 per unit. Distributions to unitholders for the quarter ended June 30, 2020 were:

Record Date	Payment Date	Distribution Per Unit
April 30, 2020	May 14, 2020	\$ 0.085888
May 29, 2020	June 12, 2020	0.056277
June 30, 2020	July 14, 2020	0.042667
		<u>\$ 0.184832</u>

This letter, and all communications to unitholders, includes information provided to the Trustee by XTO Energy Inc.

### Cross Timbers Royalty Trust

By: Simmons Bank, Trustee



By: Nancy Willis  
Vice President

## Cross Timbers Royalty Trust Financial Statements

### Condensed Statements of Assets, Liabilities and Trust Corpus (Unaudited)

	June 30, 2020	December 31, 2019
<b>ASSETS</b>		
Cash and Short-Term Investments.....	\$ 1,255,899	\$ 1,501,398
Interest to be Received .....	103	1,642
Net Profits Interests in Oil and Gas Properties – Net .....	7,733,514	8,161,795
	<u>\$ 8,989,516</u>	<u>\$ 9,664,835</u>
<b>LIABILITIES AND TRUST CORPUS</b>		
Distribution Payable to Unitholders .....	\$ 256,002	\$ 503,040
Expense Reserve <sup>(a)</sup> .....	1,000,000	1,000,000
Trust Corpus (6,000,000 Units of Beneficial Interest Authorized and Outstanding).....	7,733,514	8,161,795
	<u>\$ 8,989,516</u>	<u>\$ 9,664,835</u>

<sup>(a)</sup> Expense reserve allows the Trustee to pay its obligations should it be unable to pay them out of the net profits income. The reserve is currently funded at \$1,000,000.

### Condensed Statements of Distributable Income (Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2020	2019	2020	2019
Net Profits Income.....	\$ 1,255,092	\$ 1,857,396	\$ 3,278,611	\$ 3,193,281
Interest Income .....	1,350	6,857	5,643	13,628
TOTAL INCOME .....	<u>1,256,442</u>	<u>1,864,253</u>	<u>3,284,254</u>	<u>3,206,909</u>
Administration Expense .....	147,450	144,365	366,328	403,937
Distributable Income.....	\$ 1,108,992	\$ 1,719,888	\$ 2,917,926	\$ 2,802,972
Distributable Income per Unit (6,000,000 Units) .....	<u>\$ 0.184832</u>	<u>\$ 0.286648</u>	<u>\$ 0.486321</u>	<u>\$ 0.467162</u>

### Condensed Statements of Changes in Trust Corpus (Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2020	2019	2020	2019
Trust Corpus, Beginning of Period.....	\$ 7,858,632	\$ 8,437,697	\$ 8,161,795	\$ 8,526,512
Amortization of Net Profits Interests.....	(125,118)	(112,869)	(428,281)	(201,684)
Distributable Income.....	1,108,992	1,719,888	2,917,926	2,802,972
Distributions Declared.....	(1,108,992)	(1,719,888)	(2,917,926)	(2,802,972)
Trust Corpus, End of Period.....	<u>\$ 7,733,514</u>	<u>\$ 8,324,828</u>	<u>\$ 7,733,514</u>	<u>\$ 8,324,828</u>

These Condensed Financial Statements should be read in conjunction with the Condensed Financial Statements and notes thereto included in the Trust's quarterly report on Form 10-Q for the quarter ended June 30, 2020.