

## Tax Information Per Unit

## Third Quarter Report 2020

	MONTHLY DISTRIBUTIONS PAID ON: (\$/UNIT EXCEPT COST DEPLETION FACTORS)		
	August 14, 2020	September 15, 2020	October 15, 2020
Gross Income .....	\$ 0.051600	\$ 0.067406	\$ 0.060617
Less Severance Taxes .....	(0.015531)	(0.014401)	(0.011482)
Interest Income .....	0.000010	0.000007	0.000005
Less Administration Expenses .....	(0.003748)	(0.015058)	(0.017093)
Reconciling Items .....	0.000000	0.000000	0.000000
<b>NET CASH DISTRIBUTION</b> .....	<b>\$ 0.032331</b>	<b>\$ 0.037954</b>	<b>\$ 0.032047</b>
			<b>Total</b>
			\$ 0.179623
			(0.041414)
			0.000022
			(0.035899)
			0.000000
			\$ 0.102332

### Cost Depletion Factors:

Texas - 90% .....	0.002276	0.003959	0.003448	0.009683
Oklahoma - 90% .....	0.009363	0.011417	0.015528	0.036308
New Mexico - 90% .....	0.006491	0.005373	0.006459	0.018323
Texas - 75% .....	0.000000	0.000000	0.000000	0.000000
Oklahoma - 75% .....	0.000000	0.000000	0.000000	0.000000

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)



## To Unitholders:

For the quarter ended September 30, 2020, net profits income was \$829,258 compared to \$1,272,845 for third quarter 2019. This 35% decrease in net profits income is primarily the result of lower oil and gas prices (\$0.9 million), partially offset by decreased production expenses (\$0.2 million), increased oil and gas production (\$0.2 million), and decreased development costs (\$0.1 million).

After considering interest income of \$134 and administration expense of \$215,400, distributable income for the quarter ended September 30, 2020 was \$613,992, or \$0.102332 per unit of beneficial interest. Administration expense for the quarter increased \$61,092 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 third quarter 2019, distributable income was \$1,124,874, or \$0.187479 per unit.


Distributions to unitholders for the quarter ended September 30, 2020 were:

Record Date	Payment Date	Distribution Per Unit
July 31, 2020	August 14, 2020	\$ 0.032331
August 31, 2020	September 15, 2020	0.037954
September 30, 2020	October 15, 2020	0.032047
		<u>\$ 0.102332</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)

	September 30, 2020	December 31, 2019
<b>ASSETS</b>		
Cash and Short-Term Investments.....	\$ 1,192,251	\$ 1,501,398
Interest to be Received .....	31	1,642
Net Profits Interests in Oil and Gas Properties – Net .....	7,655,559	8,161,795
	<u>\$ 8,847,841</u>	<u>\$ 9,664,835</u>
<b>LIABILITIES AND TRUST CORPUS</b>		
Distribution Payable to Unitholders .....	\$ 192,282	\$ 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) .....	7,655,559	8,161,795
	<u>\$ 8,847,841</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 September 30 2020	September 30 2019	Nine Months Ended September 30 2020	September 30 2019
Net Profits Income.....	\$ 829,258	\$ 1,272,845	\$ 4,107,869	\$ 4,466,126
Interest Income .....	134	6,337	5,777	19,965
TOTAL INCOME .....	<u>829,392</u>	1,279,182	<u>4,113,646</u>	4,486,091
Administration Expense .....	215,400	154,308	581,728	558,245
Distributable Income.....	\$ 613,992	\$ 1,124,874	\$ 3,531,918	\$ 3,927,846
Distributable Income per Unit (6,000,000 Units) .....	<u>\$ 0.102332</u>	<u>\$ 0.187479</u>	<u>\$ 0.588653</u>	<u>\$ 0.654641</u>

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

	Three Months Ended September 30 2020	September 30 2019	Nine Months Ended September 30 2020	September 30 2019
Trust Corpus, Beginning of Period .....	\$ 7,733,514	\$ 8,324,828	\$ 8,161,795	\$ 8,526,512
Amortization of Net Profits Interests.....	(77,955)	(87,057)	(506,236)	(288,741)
Distributable Income.....	613,992	1,124,874	3,531,918	3,927,846
Distributions Declared.....	(613,992)	(1,124,874)	(3,531,918)	(3,927,846)
Trust Corpus, End of Period.....	<u>\$ 7,655,559</u>	<u>\$ 8,237,771</u>	<u>\$ 7,655,559</u>	<u>\$ 8,237,771</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 September 30, 2020.