

**TAX INFORMATION PER UNIT**

**Third Quarter Report 2022**

	<b>MONTHLY DISTRIBUTIONS PAID ON:</b>			
	<i>(\$/UNIT EXCEPT COST DEPLETION FACTORS)</i>			
	August 12, 2022	September 15, 2022	October 17, 2022	Total
Gross income.....	\$ 0.223121	\$ 0.265546	\$ 0.231009	\$ 0.719676
Less severance taxes.....	(0.026708)	(0.031400)	(0.025319)	(0.083427)
Interest income.....	0.000140	0.000297	0.000362	0.000799
Less administration expenses.....	(0.004863)	(0.003824)	(0.005651)	(0.014338)
Reconciling items.....	0.000000	0.000000	0.000000	0.000000
Net cash distribution.....	<u>\$ 0.191690</u>	<u>\$ 0.230619</u>	<u>\$ 0.200401</u>	<u>\$ 0.622710</u>
Cost depletion factors:				
Texas - 90%.....	0.003327	0.002577	0.001866	0.007770
Oklahoma - 90%.....	0.017102	0.010877	0.022883	0.050862
New Mexico - 90%.....	0.005968	0.006502	0.005797	0.018267
Texas - 75%.....	0.000000	0.000000	0.000000	0.000000
Oklahoma - 75%.....	0.014012	0.015223	0.008389	0.037624

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

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



**Cross Timbers  
Royalty Trust**

**3<sup>rd</sup>  
Quarter Report  
2022**

## TO UNITHOLDERS:

For the quarter ended September 30, 2022, net profits income was \$3,817,493 compared to \$2,455,493 for third quarter 2021. This 55% increase in net profits income is primarily the result of increased oil and gas prices (\$2.4 million), partially offset by decreased oil production (\$0.4 million), increased production expenses (\$0.3 million), increased taxes, transportation and other costs (\$0.1 million), increased development costs (\$0.1 million), and net excess costs activity (\$0.1 million).

After considering interest income of \$4,795 and administration expense of \$86,028, distributable income for the quarter ended September 30, 2022 was \$3,736,260, or \$0.622710 per unit of beneficial interest. Administration expense for the quarter decreased \$67,794 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, expense reserve, and interest rates. For third quarter 2021, distributable income was \$2,301,702, or \$0.383617 per unit. Distributions to unitholders for the quarter ended September 30, 2022 were:

Record Date	Payment Date	Distribution Per Unit
July 29, 2022	August 12, 2022	\$ 0.191690
August 31, 2022	September 15, 2022	0.230619
September 30, 2022	October 17, 2022	0.200401
		<u>\$ 0.622710</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, 2022	December 31, 2021
<b>ASSETS</b>		
Cash and short-term investments .....	\$ 2,200,234	\$ 1,822,750
Interest to be received .....	2,172	24
Net profits interests in oil and gas properties – net .....	3,025,815	3,266,356
	<u>\$ 5,228,221</u>	<u>\$ 5,089,130</u>
<b>LIABILITIES AND TRUST CORPUS</b>		
Distribution payable to unitholders .....	\$ 1,202,406	\$ 822,774
Expense reserve <sup>(a)</sup> .....	1,000,000	1,000,000
Trust corpus (6,000,000 units of beneficial interest authorized and outstanding) .....	3,025,815	3,266,356
	<u>\$ 5,228,221</u>	<u>\$ 5,089,130</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 2022	September 30 2021	Nine Months Ended September 30 2022	September 30 2021
Net profits income .....	\$ 3,817,493	\$ 2,455,493	\$ 9,536,782	\$ 5,602,598
Interest income .....	4,795	31	5,737	123
Total income .....	3,822,288	2,455,524	9,542,519	5,602,721
Administration expense .....	86,028	153,822	562,331	592,211
Distributable income .....	\$ 3,736,260	\$ 2,301,702	\$ 8,980,188	\$ 5,010,510
Distributable income per unit (6,000,000 units) .....	\$ 0.622710	\$ 0.383617	\$ 1.496698	\$ 0.835085

### CONDENSED STATEMENTS OF CHANGES IN TRUST CORPUS (UNAUDITED)

	Three Months Ended September 30 2022	September 30 2021	Nine Months Ended September 30 2022	September 30 2021
Trust corpus, beginning of period .....	\$ 3,096,807	\$ 3,339,402	\$ 3,266,356	\$ 7,523,065
Amortization of net profits interests .....	(70,992)	(75,099)	(240,541)	(4,258,762)
Distributable income .....	3,736,260	2,301,702	8,980,188	5,010,510
Distributions declared .....	(3,736,260)	(2,301,702)	(8,980,188)	(5,010,510)
Trust corpus, end of period .....	<u>\$ 3,025,815</u>	<u>\$ 3,264,303</u>	<u>\$ 3,025,815</u>	<u>\$ 3,264,303</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, 2022.