

## TAX INFORMATION PER UNIT

## First Quarter Report 2023

	MONTHLY DISTRIBUTIONS PAID ON: (\$/UNIT EXCEPT COST DEPLETION FACTORS)			
	February 14, 2023	March 14, 2023	April 14, 2023	Total
Gross income.....	\$ 0.407547	\$ 0.145224	\$ 0.236383	\$ 0.789154
Less severance taxes.....	(0.090160)	(0.021223)	(0.025654)	(0.137037)
Interest income.....	0.000767	0.000705	0.000918	0.002390
Less administration expenses.....	(0.005486)	(0.010097)	(0.032391)	(0.047974)
Reconciling items.....	0.000000	0.000000	0.000000	0.000000
Net cash distribution.....	<u>\$ 0.312668</u>	<u>\$ 0.114609</u>	<u>\$ 0.179256</u>	<u>\$ 0.606533</u>
Cost depletion factors:				
Texas - 90% .....	0.012001	0.007529	0.021644	0.041174
Oklahoma - 90% .....	0.011143	0.007732	0.005959	0.024834
New Mexico - 90% .....	0.035899	0.005000	0.004802	0.045701
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.ctf-cross timbers.com](http://www.ctf-cross timbers.com).

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## TO UNITHOLDERS:

For the quarter ended March 31, 2023, net profits income was \$3,912,704 compared to \$1,951,672 for first quarter 2022. This 100 percent increase in net profits income is primarily the result of net excess costs activity (\$2.8 million), increased gas production (\$2.7 million), higher oil prices (\$1.6 million), and decreased development costs (\$0.3 million), partially offset by decreased oil production (\$4.2 million), increased taxes, transportation and other costs (\$0.6 million), increased production expenses (\$0.3 million), and lower gas prices (\$0.3 million).

After considering interest income of \$14,338 and administration expense of \$287,844, distributable income for the quarter ended March 31, 2023, was \$3,639,198, or \$0.606533 per unit of beneficial interest. Administration expense for the quarter increased \$21,070 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 first quarter 2022, distributable income was \$1,684,932, or \$0.280822 per unit.

Distributions to unitholders for the quarter ended March 31, 2023, were:

Record Date	Payment Date	Distribution Per Unit
January 31, 2023	February 14, 2023	\$ 0.312668
February 28, 2023	March 14, 2023	0.114609
March 31, 2023	April 14, 2023	0.179256
		<u>\$ 0.606533</u>

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

Cross Timbers Royalty Trust

By: Argent Trust Company, Trustee



By: Nancy Willis  
Vice President

## CROSS TIMBERS ROYALTY TRUST FINANCIAL STATEMENTS

### CONDENSED STATEMENTS OF ASSETS, LIABILITIES AND TRUST CORPUS (UNAUDITED)

	March 31, 2023	December 31, 2022
<b>ASSETS</b>		
Cash and short-term investments .....	\$ 2,070,031	\$ 1,898,638
Interest to be received .....	5,505	3,372
Net profits interests in oil and gas properties – net .....	2,832,930	2,961,955
	<u>\$ 4,908,466</u>	<u>\$ 4,863,965</u>
<b>LIABILITIES AND TRUST CORPUS</b>		
Distribution payable to unitholders .....	\$ 1,075,536	\$ 902,010
Expense reserve <sup>(a)</sup> .....	1,000,000	1,000,000
Trust corpus (6,000,000 units of beneficial interest authorized and outstanding) .....	2,832,930	2,961,955
	<u>\$ 4,908,466</u>	<u>\$ 4,863,965</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 March 31 2023	March 31 2022
Net profits income .....	\$ 3,912,704	\$ 1,951,672
Interest income.....	14,338	34
Total income.....	3,927,042	1,951,706
Administration expense .....	287,844	266,774
Distributable income.....	<u>\$ 3,639,198</u>	<u>\$ 1,684,932</u>
Distributable income per unit (6,000,000 units).....	<u>\$ 0.606533</u>	<u>\$ 0.280822</u>

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

	Three Months Ended March 31 2023	March 31 2022
Trust corpus, beginning of period .....	\$ 2,961,955	\$ 3,266,356
Amortization of net profits interests .....	(129,025)	(53,565)
Distributable income.....	3,639,198	1,684,932
Distributions declared .....	(3,639,198)	(1,684,932)
Trust corpus, end of period .....	<u>\$ 2,832,930</u>	<u>\$ 3,212,791</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 March 31, 2023.