

## TAX INFORMATION PER UNIT

## Second Quarter Report 2023

	MONTHLY DISTRIBUTIONS PAID ON: (\$/UNIT EXCEPT COST DEPLETION FACTORS)			
	May 12, 2023	June 14, 2023	July 17, 2023	Total
Gross income.....	\$ 0.278268	\$ 0.223941	\$ 0.101686	\$ 0.603895
Less severance taxes.....	(0.030193)	(0.030784)	(0.015742)	(0.076719)
Interest income.....	0.000854	0.000990	0.000991	0.002835
Less administration expenses.....	(0.004259)	(0.009088)	(0.009895)	(0.023242)
Reconciling items.....	0.000000	0.000000	0.000000	0.000000
Net cash distribution.....	\$ 0.244670	\$ 0.185059	\$ 0.077040	\$ 0.506769
Cost depletion factors:				
Texas - 90%.....	0.009882	0.012506	0.008097	0.030485
Oklahoma - 90%.....	0.009405	0.008095	0.004748	0.022248
New Mexico - 90%.....	0.005032	0.004641	0.004057	0.013730
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.cft-cross timbers.com](http://www.cft-cross timbers.com).

Cross Timbers Royalty Trust, 3838 Oak Lawn Ave, Ste 1720, Dallas, TX 75219-4518  
855.588.7839 ■ Argent Trust Company, Trustee ■ [www.cft-cross timbers.com](http://www.cft-cross timbers.com)



# Cross Timbers Royalty Trust

## 2<sup>nd</sup> Quarter Report 2023

## TO UNITHOLDERS:

For the quarter ended June 30, 2023, net profits income was \$3,163,059 compared to \$3,767,617 for second quarter 2022. This 16 percent decrease in net profits income is primarily the result of decreased gas production (\$2.8 million), lower oil prices (\$0.5 million), and increased production expenses (\$0.2 million), partially offset by higher gas prices (\$2.4 million), decreased taxes, transportation and other (\$0.3 million), net excess costs activity (\$0.1 million), and decreased development costs (\$0.1 million).

After considering interest income of \$17,009 and administration expense of \$139,454, distributable income for the quarter ended June 30, 2023, was \$3,040,614, or \$0.506769 per unit of beneficial interest. Administration expense for the quarter decreased \$70,075 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 second quarter 2022, distributable income was \$3,558,996, or \$0.593166 per unit.

Distributions to unitholders for the quarter ended June 30, 2023, were:

Record Date	Payment Date	Distribution Per Unit
April 28, 2023	May 12, 2023	\$ 0.244670
May 31, 2023	June 14, 2023	0.185059
June 30, 2023	July 17, 2023	0.077040
		<u>\$ 0.506769</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)

	June 30, 2023	December 31, 2022
<b>ASSETS</b>		
Cash and short-term investments .....	\$ 1,456,294	\$ 1,898,638
Interest to be received .....	5,946	3,372
Net profits interests in oil and gas properties – net .....	2,787,638	2,961,955
	<u>\$ 4,249,878</u>	<u>\$ 4,863,965</u>
<b>LIABILITIES AND TRUST CORPUS</b>		
Distribution payable to unitholders .....	\$ 462,240	\$ 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) .....	2,787,638	2,961,955
	<u>\$ 4,249,878</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 June 30 2023	June 30 2022	Six Months Ended June 30 2023	June 30 2022
Net profits income .....	\$ 3,163,059	\$ 3,767,617	\$ 7,075,763	\$ 5,719,289
Interest income .....	17,009	908	31,347	942
Total income .....	3,180,068	3,768,525	7,107,110	5,720,231
Administration expense .....	139,454	209,529	427,298	476,303
Distributable income .....	\$ 3,040,614	\$ 3,558,996	\$ 6,679,812	\$ 5,243,928
Distributable income per unit (6,000,000 units) .....	\$ 0.506769	\$ 0.593166	\$ 1.113302	\$ 0.873988

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

	Three Months Ended June 30 2023	June 30 2022	Six Months Ended June 30 2023	June 30 2022
Trust corpus, beginning of period .....	\$ 2,832,930	\$ 3,212,791	\$ 2,961,955	\$ 3,266,356
Amortization of net profits interests .....	(45,292)	(115,984)	(174,317)	(169,549)
Distributable income .....	3,040,614	3,558,996	6,679,812	5,243,928
Distributions declared .....	(3,040,614)	(3,558,996)	(6,679,812)	(5,243,928)
Trust corpus, end of period .....	<u>\$ 2,787,638</u>	<u>\$ 3,096,807</u>	<u>\$ 2,787,638</u>	<u>\$ 3,096,807</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, 2023.