

**TAX INFORMATION PER UNIT**

**Third Quarter Report 2021**

	<b>MONTHLY DISTRIBUTIONS PAID ON:</b>			
	<i>(\$/UNIT EXCEPT COST DEPLETION FACTORS)</i>			
	<b>August 13, 2021</b>	<b>September 15, 2021</b>	<b>October 15, 2021</b>	<b>Total</b>
Gross income.....	\$ 0.150750	\$ 0.124372	\$ 0.190155	\$ 0.465277
Less severance taxes.....	(0.020344)	(0.012352)	(0.023332)	(0.056028)
Interest income .....	0.000002	0.000001	0.000002	0.000005
Less administration expenses.....	(0.006616)	(0.014767)	(0.004254)	(0.025637)
Reconciling items.....	0.000000	0.000000	0.000000	0.000000
Net cash distribution .....	<u>\$ 0.123792</u>	<u>\$ 0.097254</u>	<u>\$ 0.162571</u>	<u>\$ 0.383617</u>
Cost depletion factors:				
Texas - 90%.....	0.005843	0.004617	0.002616	0.013076
Oklahoma - 90%.....	0.012078	0.012636	0.016889	0.041603
New Mexico - 90% .....	0.006265	0.004051	0.008973	0.019289
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-crossstimbers.com](http://www.crt-crossstimbers.com).

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



## TO UNITHOLDERS:

For the quarter ended September 30, 2021, net profits income was \$2,455,493 compared to \$829,258 for third quarter 2020. This 196% increase in net profits income is primarily the result of increased oil and gas prices (\$2.0 million) and increased oil production (\$0.2 million), partially offset by net excess costs activity on the Texas and Oklahoma working interest properties (\$0.3 million), increased taxes, transportation and other costs (\$0.2 million), and production expenses (\$0.1 million).

After considering interest income of \$31 and administration expense of \$153,822, distributable income for the quarter ended September 30, 2021 was \$2,301,702, or \$0.383617 per unit of beneficial interest. Administration expense for the quarter decreased \$61,578 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 2020, distributable income was \$613,992, or \$0.102332 per unit.

Distributions to unitholders for the quarter ended September 30, 2021 were:

Record Date	Payment Date	Distribution Per Unit
July 30, 2021	August 13, 2021	\$ 0.123792
August 31, 2021	September 15, 2021	0.097254
September 30, 2021	October 15, 2021	0.162571
		<u>\$ 0.383617</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, 2021	December 31, 2020
<b>ASSETS</b>		
Cash and short-term investments .....	\$ 1,975,416	\$ 1,372,799
Interest to be received .....	10	23
Net profits interests in oil and gas properties – net .....	3,264,303	7,523,065
	<u>\$ 5,239,729</u>	<u>\$ 8,895,887</u>
<b>LIABILITIES AND TRUST CORPUS</b>		
Distribution payable to unitholders .....	\$ 975,426	\$ 372,822
Expense reserve <sup>(a)</sup> .....	1,000,000	1,000,000
Trust corpus (6,000,000 units of beneficial interest authorized and outstanding) .....	3,264,303	7,523,065
	<u>\$ 5,239,729</u>	<u>\$ 8,895,887</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		Nine Months Ended September 30	
	2021	2020	2021	2020
Net profits income .....	\$ 2,455,493	\$ 829,258	\$ 5,602,598	\$ 4,107,869
Interest income .....	31	134	123	5,777
Total income .....	2,455,524	829,392	5,602,721	4,113,646
Administration expense .....	153,822	215,400	592,211	581,728
Distributable income .....	\$ 2,301,702	\$ 613,992	\$ 5,010,510	\$ 3,531,918
Distributable income per unit (6,000,000 units) .....	\$ 0.383617	\$ 0.102332	\$ 0.835085	\$ 0.588653

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
Trust corpus, beginning of period .....	\$ 3,339,402	\$ 7,733,514	\$ 7,523,065	\$ 8,161,795
Amortization of net profits interests .....	(75,099)	(77,955)	(4,258,762)	(506,236)
Distributable income .....	2,301,702	613,992	5,010,510	3,531,918
Distributions declared .....	(2,301,702)	(613,992)	(5,010,510)	(3,531,918)
Trust corpus, end of period .....	\$ 3,264,303	\$ 7,655,559	\$ 3,264,303	\$ 7,655,559

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, 2021.