

# **THE MOSAIC COMPANY**

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**KPMG LLP**  
Suite 1700  
100 North Tampa Street  
Tampa, FL 33602-5145

**Report on the Financial Statement of a  
State Project in Accordance with the Program-Specific Audit Option  
under Chapter 10.650, Rules of the Auditor General, State of Florida**

The Board of Directors  
The Mosaic Company:

We have audited the accompanying schedule of expenditures of state financial assistance (Schedule) for the Mine Reclamation Grants Program of The Mosaic Company for the year ended May 31, 2010. This Schedule is the responsibility of The Mosaic Company's management. Our responsibility is to express an opinion on the Schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.650, *Rules of the Auditor General*, State of Florida. Those standards and Chapter 10.650, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall Schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the schedule of expenditures of state financial assistance referred to above presents fairly, in all material respects, the expenditures of state financial assistance under the Mine Reclamation Grants Program in conformity with U.S. generally accepted accounting principles.

**KPMG LLP**

September 13, 2010  
Certified Public Accountants

**THE MOSAIC COMPANY**  
Schedule of Expenditures of State Financial Assistance  
Year ended May 31, 2010

<u>State Project</u>	<u>CSFA number</u>	<u>Grant number</u>	<u>Grant award amount</u>	<u>Expenditures</u>
<b>State of Florida Department of Environmental Protection</b>				
Mine Reclamation Grants Program:				
AGR-PC-022	37.059	MR-8317	\$ 1,525,200	23,100
AGR-PC-025(A)	37.059	MR-8314	1,214,145	10,000
AGR-PC-026(A)	37.059	MR-8315	1,536,445	10,000
AGR-PC-015(B)	37.059	MR-8311	815,712	25,000
AGR-PC-024(B)/L(1)	37.059	MR-8313	450,939	20,400
WRG-HP-01(A)	37.059	MR-8299	750,264	537,830
Total state expenditures				<u>\$ 626,330</u>

See accompanying note to schedule of expenditures of state financial assistance.

**THE MOSAIC COMPANY**

Note to Schedule of Expenditures of State Financial Assistance

Year ended May 31, 2010

**(1) Basis of Presentation**

The accompanying schedule of expenditures of state financial assistance includes the state grant activity of The Mosaic Company, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with Chapter 69I-5, Rules of the Florida Department of Financial Services, Florida Administrative Code, *Schedule of Expenditures of State Financial Assistance*.



**KPMG LLP**  
Suite 1700  
100 North Tampa Street  
Tampa, FL 33602-5145

**Report on Compliance with Requirements Applicable to the  
State Project and on Internal Control over Compliance in  
Accordance with the Program-Specific Audit Option under  
Chapter 10.650, Rules of the Auditor General, State of Florida**

The Board of Directors  
The Mosaic Company:

**Compliance**

We have audited the compliance of The Mosaic Company with the types of compliance requirements described in the Executive Office of the Governor's *State Projects Compliance Supplement* that are applicable to the Mine Reclamation Grants Program for the year ended May 31, 2010. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major state program is the responsibility of The Mosaic Company's management. Our responsibility is to express an opinion on The Mosaic Company's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.650, *Rules of the Auditor General*, State of Florida (Chapter 10.650). Those standards and Chapter 10.650 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Mine Reclamation Grants Program occurred. An audit includes examining, on a test basis, evidence about The Mosaic Company's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of The Mosaic Company's compliance with those requirements.

In our opinion, The Mosaic Company complied, in all material respects, with the requirements referred to above that are applicable to the Mine Reclamation Grants Program for the year ended May 31, 2010.

**Internal Control over Compliance**

Management of The Mosaic Company is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state financial assistance projects. In planning and performing our audit, we considered The Mosaic Company's internal control over compliance with requirements that could have a direct and material effect on the Mine Reclamation Grants Program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Mosaic Company's internal control over compliance.



A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state financial assistance project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state financial assistance project will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the board of directors, others within the organization, and the state awarding agency and pass-through entity and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

September 13, 2010  
Certified Public Accountants

**THE MOSAIC COMPANY**  
Schedule of Findings and Questioned Costs  
Year ended May 31, 2010

**(1) Summary of Auditors' Results**

*Financial Statement:*

Type of auditors' report issued:	Unqualified		
Internal control over financial reporting:			
• Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No	
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None reported	
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>X</u> No	

*State Projects:*

Internal control over major projects:			
• Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No	
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None reported	
Type of auditors' report issued on compliance for major projects:	Unqualified		
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, <i>Rules of the Auditor General</i> , and Section 215.97, <i>Florida Statutes</i> ?	_____ Yes	_____ <u>X</u> No	

Identification of major projects:

State Project	CSFA number
Department of Environmental Protection: Mine Reclamation Grants Program	37.059

The threshold for distinguishing Type A and Type B projects was \$187,899 for state projects.

**(2) Findings and Questioned Costs Relating to State Projects**

None

**(3) Status of Prior Year State Findings**

There were no prior audit findings related to state projects.