



02021761

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
OMB Number: 3235-0123
Expires: September 30, 1998
Estimated average burden
hours per response . . . 12.00

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

Amended

SEC FILE NUMBER
8- 32116

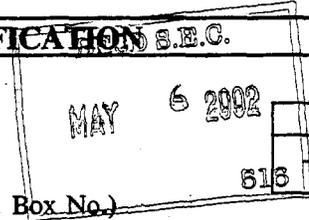
FACING PAGE
Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

A

REPORT FOR THE PERIOD BEGINNING 1/1/2001 AND ENDING 12/31/2001
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION S.E.C.

NAME OF BROKER-DEALER:
Donaldson & Co., Incorporated



OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
2859 Paces Ferry Road, Suite 2125

Atlanta Georgia 30339
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Janice R. Fishbeck (770) 333-8300
(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Smith & Howard, PC

1795 Peachtree Street, NE Suite 300 Atlanta, Georgia 30309
(Address) (City) (State) (Zip Code)

- CHECK ONE:
- Certified Public Accountant
 - Public Accountant
 - Accountant not resident in United States or any of its possessions.

PROCESSED
MAY 13 2002
THOMSON FINANCIAL

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

[Handwritten signature]

OATH OR AFFIRMATION

I, Joanne Mascellino, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Donaldson & Co., Incorporated, as of December 31, 192001, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Joanne Mascellino
Signature
President
Title

Janice B. Fishbeck
Notary Public
NOTARY PUBLIC CORN COUNTY, GEORGIA
MY COMMISSION EXPIRES APRIL 20, 2003

This report** contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

DONALDSON & CO., INCORPORATED
SCHEDULE OF COMPUTATION OF NET CAPITAL AND RECONCILIATION
OF UNAUDITED COMPUTATION OF NET CAPITAL TO AUDITED
COMPUTATION OF NET CAPITAL
YEAR ENDED DECEMBER 31, 2001

	<u>UNAUDITED</u>	NET CHANGE INCREASE <u>(DECREASE)</u>	<u>AUDITED</u>
Total ownership equity from balance sheet at December 31, 2001	\$ 10,119,049	\$ 1,071,855	\$ 11,190,904
Deduct: ownership equity not allowable for net capital at December 31, 2001	<u>-</u>	<u>-</u>	<u>-</u>
Total ownership equity qualified for net capital at December 31, 2001	10,119,049	1,071,855	11,190,904
Add: liabilities subordinated to claims of general creditors	-	-	-
Add: other deductions or allowable credits	<u>-</u>	<u>-</u>	<u>-</u>
Total capital and allowable subordinated liabilities and credits at December 31, 2001	10,119,049	1,071,855	11,190,904
Deduct: total non-allowable assets from balance sheet at December 31, 2001	<u>(3,029,038)</u>	<u>12,669</u>	<u>(3,016,369)</u>
Net capital before haircuts on security positions at December 31, 2001	7,090,011	1,084,524	8,174,535
Haircuts on securities at December 31, 2001	<u>(148,681)</u>	<u>-</u>	<u>(148,681)</u>
Net capital at December 31, 2001	6,941,330	1,084,524	8,025,854
Minimum net capital requirement	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Excess net capital	<u>\$ 6,691,330</u>	<u>\$ 1,084,524</u>	<u>\$ 7,775,854</u>
Net capital in excess of \$120,000	<u>\$ 6,821,330</u>	<u>\$ 1,084,524</u>	<u>\$ 7,905,854</u>