

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

**FORM 10-Q**

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the period ended September 30, 2001

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 0-27912

**ICON Cash Flow Partners, L.P., Series E**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**13-3635208**

(IRS Employer Identification Number)

**100 Fifth Avenue, New York, New York 10011**

(Address of principal executive offices)

(Zip code)

**(212) 418 -4700**

Registrant's telephone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes    ☐ No

**PART I - FINANCIAL INFORMATION****Item 1. Financial Statements****ICON Cash Flow Partners, L.P., Series E  
(A Delaware Limited Partnership)****Consolidated Balance Sheets****(unaudited)**

	September 30, <u>2001</u>	December 31, <u>2000</u>
<u>Assets</u>		
Cash	\$ 902,181	\$ 1,030,751
Investment in finance leases		
Minimum rents receivable	7,036,602	13,688,669
Estimated unguaranteed residual values	4,668,671	7,904,259
Unearned income	(1,087,590)	(2,077,737)
Allowance for doubtful accounts	<u>(1,786,664)</u>	<u>(1,287,212)</u>
	<u>8,831,019</u>	<u>18,227,979</u>
Investment in financings		
Receivables due in installments	10,217,786	11,907,064
Unearned income	(833,625)	(1,176,563)
Allowance for doubtful accounts	<u>(1,790,893)</u>	<u>(1,235,231)</u>
	<u>7,593,268</u>	<u>9,495,270</u>
Investment in operating leases		
Equipment, at cost	21,554,841	20,707,984
Accumulated depreciation	<u>(5,192,807)</u>	<u>(4,584,394)</u>
	<u>16,362,034</u>	<u>16,123,590</u>
Investments in unconsolidated joint ventures	<u>209,908</u>	<u>483,555</u>
Other assets	<u>436,647</u>	<u>793,601</u>
Total assets	<u>\$ 34,335,057</u>	<u>\$ 46,154,746</u>

(continued on next page)

**ICON Cash Flow Partners, L.P., Series E**  
**(A Delaware Limited Partnership)**

**Consolidated Balance Sheets (Continued)**

**(unaudited)**

	September 30, <u>2001</u>	December 31, <u>2000</u>
<u>Liabilities and Partners' Equity</u>		
Notes payable - securitized debt	\$ 8,418,402	\$ 14,318,259
Notes payable - non-recourse	15,437,764	17,798,581
Security deposits, deferred credits and other payables	36,228	2,022,692
Minority interests in consolidated joint ventures	<u>372,049</u>	<u>635,659</u>
	<u>24,264,443</u>	<u>34,775,191</u>
 Commitments and Contingencies		
Partners' equity (deficiency)		
General Partner	(419,154)	(406,065)
Limited partners (607,856 units outstanding, \$100 per unit original issue price in 2001 and 2000, respectively)	<u>10,489,768</u>	<u>11,785,620</u>
Total partners' equity	<u>10,070,614</u>	<u>11,379,555</u>
Total liabilities and partners' equity	<u>\$ 34,335,057</u>	<u>\$ 46,154,746</u>

See accompanying notes to consolidated financial statements.

**ICON Cash Flow Partners, L.P., Series E**  
**(A Delaware Limited Partnership)**

**Consolidated Statements of Operations**

(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Revenues				
Finance income	\$ 698,181	\$ 941,365	\$ 2,216,685	\$ 2,970,483
Rental income	687,002	615,000	1,941,003	1,845,000
(Loss) gain on sales of equipment	(17,843)	94,851	37,786	233,104
Interest income and other	12,911	39,326	75,823	134,364
Loss from investments in unconsolidated joint ventures	<u>(6,260)</u>	<u>(162,042)</u>	<u>(273,647)</u>	<u>(96,084)</u>
Total revenues	<u>1,373,991</u>	<u>1,528,500</u>	<u>3,997,650</u>	<u>5,086,867</u>
Expenses				
Interest	598,493	768,525	1,867,695	2,328,264
General and administrative	155,824	184,316	524,556	552,299
Depreciation	272,807	146,803	608,413	440,408
Provision for bad debts	780,114	-	1,055,114	-
Management fees-General Partner	122,993	211,511	408,365	603,916
Administrative expense reimbursements General Partner	100,401	130,927	269,989	363,366
Amortization of initial direct costs	-	3,559	-	19,686
Minority interest (income) expense in consolidated joint ventures	<u>(188,555)</u>	<u>49,983</u>	<u>(263,610)</u>	<u>170,384</u>
Total expenses	<u>1,842,077</u>	<u>1,495,624</u>	<u>4,470,522</u>	<u>4,478,323</u>
Net (loss) income	<u>\$ (468,086)</u>	<u>\$ 32,876</u>	<u>\$ (472,872)</u>	<u>\$ 608,544</u>
Net (loss) income allocable to:				
Limited partners	\$ (463,405)	\$ 32,547	(468,143)	602,458
General Partner	<u>(4,681)</u>	<u>329</u>	<u>(4,729)</u>	<u>6,086</u>
	<u>\$ (468,086)</u>	<u>\$ 32,876</u>	<u>\$ (472,872)</u>	<u>\$ 608,544</u>
Weighted average number of limited partnership units outstanding	<u>607,856</u>	<u>607,856</u>	<u>607,856</u>	<u>607,856</u>
Net (loss) income per weighted average limited partnership unit	<u>\$ (.76)</u>	<u>\$ .05</u>	<u>\$ (.77)</u>	<u>\$ .99</u>

See accompanying notes to consolidated financial statements.

**ICON Cash Flow Partners, L.P., Series E**  
**(A Delaware Limited Partnership)**

**Consolidated Statements of Changes in Partners' Equity**

**For the Nine Months Ended September 30, and the  
Year Ended December 31, 2000**

**(unaudited)**

Limited Partner Distributions

	<u>Return of Capital</u> (Per weighted average unit)	<u>Investment Income</u>	<u>Limited Partners</u>	<u>General Partner</u>	<u>Total</u>
Balance at December 31, 1999			\$ 15,065,327	\$ (372,938)	\$ 14,692,389
Cash distribution to partners	\$ 5.39	\$ .65	(3,672,173)	(37,091)	(3,709,264)
Net income			<u>392,466</u>	<u>3,964</u>	<u>396,430</u>
Balance at December 31, 2000			11,785,620	(406,065)	11,379,555
Cash distribution to partners	\$ 1.36	\$ -	(827,709)	(8,360)	(836,069)
Net loss			<u>(468,143)</u>	<u>(4,729)</u>	<u>(472,872)</u>
Balance at September 30, 2001			<u>\$ 10,489,768</u>	<u>\$ (419,154)</u>	<u>\$ 10,070,614</u>

See accompanying notes to consolidated financial statements.

**ICON Cash Flow Partners, L.P., Series E**  
**(A Delaware Limited Partnership)**

**Consolidated Statements of Cash Flows**

**For the Nine Months Ended September 30,**

**(unaudited)**

	<u>2001</u>	<u>2000</u>
Cash flows provided by operating activities:		
Net (loss) income	\$ (472,872)	\$ 608,544
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation	608,413	440,408
Rental income - paid directly to lenders by lessees	(1,845,000)	(1,845,000)
Provision for bad debts	1,055,114	-
Amortization of initial direct costs	-	19,686
Finance income portion of receivables paid directly to lenders by lessees	(360,192)	(1,014,883)
Gain on sales of equipment	(37,786)	(233,104)
Minority interest (income) expense	(263,610)	170,384
Interest expense on non-recourse financing paid directly by lessees	1,291,520	1,332,413
Loss from investments in unconsolidated joint ventures	273,647	96,084
Changes in operating assets and liabilities:		
Collection of principal - non-financed receivables	7,463,243	12,417,697
Security deposits, deferred credits and other payables	(1,986,464)	34,963
Other assets	356,954	(146,264)
Other	47,138	179,321
Total adjustments	<u>6,602,977</u>	<u>11,451,705</u>
Net cash provided by operating activities	<u>6,130,105</u>	<u>12,060,249</u>
Cash flows from investing activities:		
Proceeds from sales of equipment	477,251	1,880,477
Distributions received from unconsolidated joint ventures	<u>-</u>	<u>140,629</u>
Net cash provided by investing activities	<u>477,251</u>	<u>2,021,106</u>

(continued on next page)

**ICON Cash Flow Partners, L.P., Series E**  
**(A Delaware Limited Partnership)**

**Consolidated Statements of Cash Flows (Continued)**

**For the Nine Months Ended September 30,**

**(unaudited)**

	<u>2001</u>	<u>2000</u>
Cash flows from financing activities:		
Proceeds from non-recourse debt	-	11,943,528
Principal payments on non-recourse debt	-	(13,800,738)
Principal payments on securitized debt	(5,899,857)	(8,618,359)
Cash distributions to partners	<u>(836,069)</u>	<u>(3,479,961)</u>
Net cash used in financing activities	<u>(6,735,926)</u>	<u>(13,955,530)</u>
Net (decrease) increase in cash	(128,570)	125,825
Cash at beginning of period	<u>1,030,751</u>	<u>2,073,759</u>
Cash at end of period	<u>\$ 902,181</u>	<u>\$ 2,199,584</u>

See accompanying notes to consolidated financial statements.

**ICON Cash Flow Partners, L.P., Series E**  
**(A Delaware Limited Partnership)**

**Consolidated Statements of Cash Flows (Continued)**

**Supplemental Disclosures of Cash Flow Information**

During the nine months ended September 30, 2001 and 2000, non-cash activities included the following:

	<u>2001</u>	<u>2000</u>
Principal and interest on direct finance receivables		
paid directly to lenders by lessees	\$ 1,807,337	\$ 3,201,833
Rental income on operating lease		
paid directly to lender by lessees	1,845,000	1,845,000
Principal and interest on non-recourse		
debt paid directly by lessees	<u>(3,652,337)</u>	<u>(5,046,833)</u>
	<u>\$ -</u>	<u>\$ -</u>

Interest expense of \$1,867,695 and \$2,328,264 for the nine months ended September 30, 2001 and 2000 consisted of interest expense on non-recourse financing accrued or paid directly to lenders by lessees of \$1,291,520 and \$1,332,413, respectively, and interest expense on securitized debt of \$576,175 and \$995,851, respectively.

	<u>2001</u>	<u>2000</u>
Transfer of finance lease residual to operating leases	<u>\$ 846,857</u>	<u>\$ -</u>
Transfer of finance lease residual to investment in financings	<u>\$ 1,810,085</u>	<u>\$ -</u>



**ICON Cash Flow Partners, L.P., Series E**  
**(A Delaware Limited Partnership)**

**Notes to Unaudited Consolidated Financial Statements**

**September 30, 2001**

**1. Basis of Presentation**

The consolidated financial statements of ICON Cash Flow Partners, L.P., Series E (the "Partnership") have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") and, in the opinion of management, include all adjustments (consisting only of normal recurring accruals) necessary for a fair statement of results for each period shown. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such SEC rules and regulations. Management believes that the disclosures made are adequate to make the information presented not misleading. The results for the interim period are not necessarily indicative of the results for the full year. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Partnership's 2000 Annual Report on Form 10-K.

**2. Disposition Period**

The Partnership's reinvestment period ended on July 31, 1998. The disposition period commenced on August 1, 1998. During the disposition period the Partnership has and will continue to distribute substantially all distributable cash from operations and equipment sales to the partners and continue the orderly termination of its operations and affairs. The Partnership will not invest in any additional finance or lease transactions during the disposition period. During the disposition period, the Partnership expects to recover, at a minimum, the carrying value of its assets.

**3. Related Party Transactions**

Fees paid or accrued by the Partnership to the General Partner or its affiliates for the nine months ended September 30, 2001 and 2000 are as follows:

	<u>2001</u>	<u>2000</u>	
Management fees	\$ 408,365	\$ 603,916	Charged to operations
Administrative expense reimbursements	<u>269,989</u>	<u>363,366</u>	Charged to operations
Total	<u>\$ 678,354</u>	<u>\$ 967,282</u>	

The Partnership has investments in five joint ventures with other partnerships sponsored by the General Partner. (See Note 4 for additional information relating to the joint ventures.)

**ICON Cash Flow Partners, L.P., Series E**  
**(A Delaware Limited Partnership)**

**Notes to Unaudited Consolidated Financial Statements - Continued**

**4. Investments in Joint Ventures**

The Partnership and affiliates formed five joint ventures for the purpose of acquiring and managing various assets.

The two joint ventures described below are majority owned and are consolidated with the Partnership.

ICON Cash Flow Partners L.L.C. I

In September 1994 the Partnership and an affiliate, ICON Cash Flow Partners L.P. Six ("L.P. Six"), formed a joint venture, ICON Cash Flow Partners, L.L.C. I ("ICON Cash Flow LLC I"), for the purpose of acquiring and managing an aircraft. The Partnership and L.P. Six contributed 99% and 1% of the cash required for such acquisition, respectively, to ICON Cash Flow LLC I. The Partnership's consolidated financial statements include 100% of the assets and liabilities of ICON Cash Flow LLC I. L.P. Six's investment in ICON Cash Flow LLC I has been reflected as "Minority interests in consolidated joint ventures."

ICON Receivables 1997-B L.L.C.

In August 1997 the Partnership, L.P. Six and ICON Cash Flow Partners L.P. Seven ("L.P. Seven") formed 1997-B, a special purpose entity formed for the purpose of originating leases and securitizing its portfolio. The Partnership, L.P. Six and L.P. Seven contributed \$2,250,000 (75.00% interest), \$250,000 (8.33% interest) and \$500,000 (16.67% interest), respectively to 1997-B. In October 1998, 1997-B completed an equipment securitization. The net proceeds from the securitization of these assets were used to pay-off the remaining 1997-B warehouse facility balance and any remaining proceeds were distributed to the 1997-B members in accordance with their membership interests. The Partnership's consolidated financial statements include 100% of the assets and liabilities of 1997-B. L.P. Six and L.P. Seven's interests in 1997-B have been reflected as "minority interests in consolidated joint ventures."

The three joint ventures described below are less than 50% owned and are accounted for following the equity method.

ICON Cash Flow Partners L.L.C. II

In March 1995 the Partnership and L.P. Six formed a joint venture, ICON Cash Flow Partners L.L.C. II ("ICON Cash Flow LLC II"), for the purpose of acquiring and managing an aircraft. The Partnership and L.P. Six contributed 1% and 99% of the cash required for such acquisition, respectively, to ICON Cash Flow LLC II. The Partnership's investment in the joint venture is accounted for under the equity method.

**ICON Cash Flow Partners, L.P., Series E**  
**(A Delaware Limited Partnership)**

**Notes to Unaudited Consolidated Financial Statements – Continued**

Information as to the unaudited financial position and results of operations of ICON Cash Flow LLC II at September 30, 2001 and 2000 are summarized below:

	<u>September 30, 2001</u>	<u>September 30, 2000</u>
Assets	<u>\$17,246,854</u>	<u>\$17,789,760</u>
Liabilities	<u>\$10,236,680</u>	<u>\$11,271,877</u>
Equity	<u>\$ 7,010,174</u>	<u>\$ 6,517,883</u>
Partnership's share of equity	<u>\$ 70,102</u>	<u>\$ 65,179</u>
	<u>Nine Months Ended September 30, 2001</u>	<u>Nine Months Ended September 30, 2000</u>
Net income	<u>\$ 369,352</u>	<u>\$ 611,779</u>
Partnership's share of net income	<u>\$ 3,704</u>	<u>\$ 6,117</u>

**ICON Cash Flow Partners, L.P., Series E**  
**(A Delaware Limited Partnership)**

**Notes to Unaudited Consolidated Financial Statements – Continued**

ICON Cash Flow L.L.C. III

In December 1996 the Partnership and an affiliate, ICON Cash Flow Partners, L.P. Seven ("L.P. Seven"), formed a joint venture, ICON Cash Flow Partners L.L.C. III ("ICON Cash Flow LLC III"), for the purpose of acquiring and managing an aircraft. The Partnership and L.P. Seven contributed 1% and 99% of the cash required for such acquisition, respectively, to ICON Cash Flow LLC III. The Partnership's investment in the joint venture is accounted for under the equity method.

Information as to the unaudited financial position and results of operations of ICON Cash Flow LLC III at September 30, 2001 and 2000 are summarized below:

	<u>September 30, 2001</u>	<u>September 30, 2000</u>
Assets	<u>\$ 7,336,206</u>	<u>\$ 7,809,573</u>
Liabilities	<u>\$ 2,613,906</u>	<u>\$ 3,577,323</u>
Equity	<u>\$ 4,722,300</u>	<u>\$ 4,232,250</u>
Partnership's share of equity	<u>\$ 47,307</u>	<u>\$ 42,321</u>
	<u>Nine Months Ended September 30, 2001</u>	<u>Nine Months Ended September 30, 2000</u>
Net income	<u>\$ 373,100</u>	<u>\$ 386,805</u>
Partnership's share of net income	<u>\$ 3,731</u>	<u>\$ 3,865</u>

**ICON Cash Flow Partners, L.P., Series E**  
**(A Delaware Limited Partnership)**

**Notes to Unaudited Consolidated Financial Statements - Continued**

ICON Receivables 1997-A L.L.C.

In March 1997 three affiliates of the Partnership, ICON Cash Flow Partners, L.P., Series D ("Series D"), L.P. Six and L.P. Seven, contributed and assigned equipment lease and finance receivables and residuals to ICON Receivables 1997-A L.L.C. ("1997-A"), a special purpose entity created for the purpose of originating leases, managing existing contributed assets and securitizing its portfolio. In September 1997 the Partnership, L.P. Six and L.P. Seven contributed and assigned additional equipment lease and finance receivables and residuals to 1997-A. The Partnership, Series D, L.P. Six and L.P. Seven received a 31.19%, 17.81%, 31.03% and 19.97% interest, respectively, in 1997-A based on the value of their related contributions. In September 1997, 1997-A securitized substantially all of its equipment leases and finance receivables and residuals. 1997-A became the beneficial owner of a trust. The Partnership's original investment was recorded at cost and is adjusted by its share of earnings, losses and distributions thereafter.

Information as to the unaudited financial position and results of operations of 1997-A at September 30, 2001 and 2000 are summarized below:

	<u>September 30, 2001</u>	<u>September 30, 2000</u>
Assets	<u>\$ 2,317,470</u>	<u>\$10,906,111</u>
Liabilities	<u>\$ 2,020,887</u>	<u>\$ 8,391,992</u>
Equity	<u>\$ 296,583</u>	<u>\$ 2,514,119</u>
Partnership's share of equity	<u>\$ 92,499</u>	<u>\$ 473,979</u>
	<u>Nine Months Ended September 30, 2001</u>	<u>Nine Months Ended September 30, 2000</u>
Net loss	<u>\$(1,895,962)</u>	<u>\$ (340,318)</u>
Partnership's share of net loss	<u>\$ (281,082)</u>	<u>\$ (106,066)</u>
Distributions	<u>\$ -</u>	<u>\$ 450,866</u>
Partnership's share of distributions	<u>\$ -</u>	<u>\$ 140,629</u>

1997-A recorded provision for bad debt of \$1,825,000 during the nine month period ended September 30, 2001 and \$500,000 for the nine month period ended September 30, 2000.

**ICON Cash Flow Partners, L.P., Series E**  
**(A Delaware Limited Partnership)**

**Notes to Unaudited Consolidated Financial Statements – Continued**

**5. Disposition Period**

The Partnership's reinvestment period ended on July 31, 1998. The disposition period began August 1, 1998, at which time the Partnership began the orderly termination of its operations and affairs. During the disposition period the Partnership has, and will continue to distribute substantially all distributable cash from operations and equipment sales to the partners. The Partnership has not, and will not invest in any additional finance or lease transactions during the disposition period. As a result of the Partnership's entering into the disposition period, future monthly distributions are expected to fluctuate depending on the amount of asset sale and re-lease proceeds received during that period.

**6. Investment in Operating Leases**

In the second quarter of 2001, the original lease term of power generator equipment accounted for as a direct finance lease expired. The residual value at the expiration of the original lease term was \$846,857. This lease was renewed for a twelve month period. This renewal lease is now accounted for as an operating lease.

**7. Investment in Financings**

In the second quarter 2001, the original lease term of a production facility accounted for as a direct finance lease expired. The residual value at the end of the original lease term was \$1,810,085. The underlying equipment was sold and financed under a five-year note agreement. The note received as a result of the financing is included in investment in financing. There was no gain or loss recognized when the underlying equipment residual value was financed under the note agreement.

**ICON Cash Flow Partners, L.P., Series E**  
**(A Delaware Limited Partnership)**

**September 30, 2001**

**Item 2. General Partner's Discussion and Analysis of Financial Condition and Results of Operations**

The Partnership's portfolio consisted of a net investment in finance leases, financings, operating leases, and investments in unconsolidated joint ventures representing 27%, 23%, 49% and 1% of total investments at September 30, 2001, respectively, and 46%, 21%, 32% and 1% of total investments at September 30, 2000, respectively.

**Results of Operations**

**Three Months Ended September 30, 2001 and 2000**

Revenues for the three months ended September 30, 2001 were \$1,373,991 representing a decrease of \$154,509 from 2000. The decrease in revenues resulted primarily from decreases in finance income of \$243,184 and gain on sales of equipment \$112,694. These decreases were partially offset by a \$72,002 increase in rental income and a decrease in loss from investments in joint ventures of \$155,782. The decrease in finance income was primarily due to a decrease in the average size of the finance lease portfolio from 2000 to 2001, and due to a finance lease which was renewed in 2001 and which is now classified as an operating lease during its renewal term. The decrease in gain on sales of equipment resulted from a decrease in the amount of equipment sold where the proceeds received were in excess of the remaining carrying value. The increase in rental income was due to a finance lease which was renewed in 2001 and which is now classified as an operating lease. As a result, rentals received relating to this lease are now reported as rental income. Prior to this reclassification, such rentals were included as collection of finance lease receivables with the finance portion included in the finance income. The decrease in loss from investment in joint ventures resulted primarily from a \$500,000 provision for bad debts recorded by 1997-A in the third quarter of 2000.

Expenses for the three months ended September 30, 2001 were \$1,842,007 representing an increase of \$346,453 from 2000. The increase was primarily due to a provision for bad debts of \$780,114 and an increase in depreciation of \$126,004. These increases were partially offset by decreases in interest expense of \$170,032, management fees of \$88,518, and administrative expense reimbursements of \$30,526. The increase in provision for bad debts was the result of determinations made of the level of reserves required during 2001 period by 1997-B during the current quarter. These determinations were the result of the Partnership's ongoing analysis of delinquency trends, loss experience and an assessment of overall credit risk. The increase in depreciation was due to a higher average level of operating lease investments during the 2001 period. The decrease in interest expense resulted from a decrease in average debt outstanding from 2000 to 2001. The decrease in management fees and administrative expense reimbursements resulted from a decrease in the average size of the finance lease portfolio.

Net (loss) income for the three months ended September 30, 2001 and 2000 was \$(468,086) and \$32,876, respectively. The net (loss) income per weighted average limited partnership unit outstanding was (\$.76) and \$.05 for 2001 and 2000, respectively.

**ICON Cash Flow Partners, L.P., Series E**  
**(A Delaware Limited Partnership)**

**Nine Months Ended September 30, 2001 and 2000**

Revenues for the nine months ended September 30, 2001 were \$3,997,650 representing a decrease of \$1,089,217 from 2000. The decrease in revenues resulted principally from a decrease in finance income of \$753,798, a loss from investments in joint ventures of \$273,647 versus a loss of \$96,084 in 2000 and a decrease in gain on sales of equipment of \$195,318. These decreases were partially offset by a \$96,003 increase in rental income. The decrease in finance income was primarily due to a decrease in the average size of the finance lease portfolio from 2000 to 2001 and due to the reclassification of two finance leases, one of which was renewed in 2001 and now classified as an operating lease and one of which was sold for a note receivable and is now accounted for as a financing. The increase in loss from investment in joint venture resulted primarily from provisions for bad debts of \$1,825,000 recorded by 1997-A in 2001 versus \$500,000 recorded in 2000. The decrease in gain on sales of equipment resulted from a decrease in the amount of equipment sold where the proceeds received were in excess of the remaining carrying value. The increase in rental income was due to a finance lease which was renewed in 2001 and which is now classified as an operating lease. As a result, rentals received relating to this lease are now reported as rental income. Prior to the reclassification, such rentals were included as collections of finance lease receivables with the finance portion included in finance income.

Expenses for the nine months ended September 30, 2001 were \$4,470,522 representing a decrease of \$7,801 from 2000. The decrease was due primarily to a reduction in interest expense of \$460,569, a decrease in management fees of \$195,551, minority interest income of \$263,610 in 2001 versus minority interest expense of \$170,384 in 2000, and a decrease in administrative expense reimbursements of \$93,377. These decreases were partially offset by an increase in provision for bad debts of \$1,055,114, and an increase in depreciation of \$168,005. The decrease in interest expense resulted from a decrease in average debt outstanding from 2000 to 2001. Minority interest income resulted from an overall loss in the Partnership's two consolidated joint ventures in 2001 versus income recognized in the joint ventures in 2000. The decrease in management fees and administrative expense reimbursements resulted from a decrease in the average size of the finance lease portfolio. The increase in provision for bad debts was the result of determinations made of the level of reserves required during 2001 by 1997-B. The consolidated joint venture 1997-B recorded a provision for bad debts of \$1,055,114 in 2001. These determinations were the result of the Partnership's ongoing analysis of delinquency trends, loss experience and an assessment of overall credit risk. The increase in depreciation was due to a higher level of operating lease investments during the 2001 period.

Net (loss) income for the nine months ended September 30, 2001 and 2000 was (\$472,872) and \$608,544, respectively. The net (loss) income per weighted average limited partnership unit outstanding was (\$.77) and \$.99 for 2001 and 2000, respectively.



**ICON Cash Flow Partners, L.P., Series E**  
**(A Delaware Limited Partnership)**

**Liquidity and Capital Resources**

The Partnership's primary sources of funds for the nine months ended September 30, 2001 and 2000 were net cash provided by operations of \$6,130,105 and \$12,060,249, proceeds from sales of equipment of \$477,251 and \$1,880,477 and borrowings of \$11,943,528 during 2000. These funds were used to fund cash distributions and debt repayments.

Cash distributions to limited partners for the nine months ended September 30, 2001 and 2000 totaled \$827,709 and \$3,445,172 respectively.

The Partnership's reinvestment period ended on July 31, 1998. The disposition period began August 1, 1998, at which time the Partnership began the orderly termination of its operations and affairs. During the disposition period the Partnership has, and will continue to distribute substantially all distributable cash from operations and equipment sales to the partners. The Partnership has not, and will not invest in any additional finance or lease transactions during the disposition period. As a result of the Partnership's entering into the disposition period, future monthly distributions are expected to fluctuate depending on the amount of asset sale and re-lease proceeds received during that period.

The Partnership is monitoring closely the impact of a slowing economy and the terrorist attacks of September 11, 2001 on its lessees in certain industries, including the airline industry. However, as of September 30, 2001, except as noted above, there were no known trends or demands, commitments, events or uncertainties which are likely to have a material effect on liquidity. As cash is realized from operations and sales of equipment, the Partnership will distribute substantially all available cash, after retaining sufficient cash to meet its reserve requirements and recurring obligations.

**Item 3. Qualitative and Quantitative Disclosures About Market Risk**

The Partnership is exposed to certain market risks, including changes in interest rates. The Partnership believes its exposure to other market risks, including commodity risk and equity price risk, are insignificant to both its financial position and results of operations.

The Partnership manages its interest rate risk by obtaining fixed rate debt. The fixed rate debt service obligation streams are generally matched by fixed rate lease receivable streams generated by the Partnership's lease investments.

**ICON Cash Flow Partners, L.P., Series E**  
**(A Delaware Limited Partnership)**

**PART II - OTHER INFORMATION**

Item 6 - Exhibits and Reports on Form 8-K

No reports on Form 8-K were filed by the Partnership during the quarter ended September 30, 2001.

**ICON Cash Flow Partners, L.P., Series E**  
**(A Delaware Limited Partnership)**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ICON Cash Flow Partners, L.P., Series E  
File No. 33-44413 (Registrant)  
By its General Partner,  
ICON Capital Corp.

November 13, 2001

Date

/s/ Thomas W. Martin

Thomas W. Martin  
Executive Vice President  
(Principal financial and accounting officer of  
the General Partner of the Registrant)