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 Quarter Ended	Commission File Number
September 30, 2002	**0-13611**

SPARTAN MOTORS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Michigan	**38-2078923**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
1165 Reynolds Road	
Charlotte, Michigan	**48813**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: **(517) 543-6400**

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 __X__ No _______

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 7, 2002
Common stock, $.01 par value	12,015,892 shares

SPARTAN MOTORS, INC.

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PART I. FINANCIAL INFORMATION

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

SPARTAN MOTORS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2002	December 31, 2001
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 10,375,272	$ 4,192,785
Accounts receivable, less allowance for doubtful accounts of $406,000 in 2002 and $446,000 in 2001	28,565,484	25,774,877
Inventories (Note 4)	23,960,677	23,587,813
Deferred tax benefit	3,777,258	3,777,269
Other current assets	1,007,850	1,619,503
Current assets of discontinued operations	323,596	1,537,915
Total current assets	68,010,137	60,490,162
Property, plant, and equipment, net	14,559,725	11,288,223
Deferred tax benefit	1,183,836	1,183,836
Goodwill, net of accumulated amortization of $1,712,000 in 2002 and 2001	4,543,422	4,543,422
Other assets	16,985	106,176

Total assets	$	88,314,105	$	77,611,819

SPARTAN MOTORS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)

	September 30, 2002	December 31, 2001
	(Unaudited)	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 16,447,849	$ 13,850,182
Other current liabilities and accrued expenses	2,734,697	1,851,199
Accrued warranty	3,553,427	3,510,316
Accrued customer rebates	635,886	380,171
Accrued taxes on income	2,238,625	1,241,325
Accrued compensation and related taxes	2,760,717	1,740,563
Accrued vacation	1,085,128	1,118,200
Deposits from customers	4,045,503	3,807,185
Current portion of long-term debt	--	2,005,079
Current liabilities of discontinued operations	25,000	1,795,556
Total current liabilities	33,526,832	31,299,776
Long-term debt	--	9,400,000
Shareholders' equity:		
Preferred stock, no par value: 2,000,000 shares authorized (none issued)	--	--
Common stock, $.01 par value, 23,900,000 shares authorized, issued 12,000,632 and 10,722,142 shares in 2002 and 2001, respectively	120,006	107,221
Additional paid in capital	30,642,796	21,133,937
Retained earnings	24,024,471	15,670,885
Total shareholders' equity	54,787,273	36,912,043
Total liabilities and shareholders' equity	$ 88,314,105	$ 77,611,819

See Notes to Condensed Consolidated Financial Statements.

SPARTAN MOTORS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended September 30,	
	2002	2001
Sales	$ 64,065,349	$ 55,803,468
Cost of products sold	52,657,754	46,442,232
Gross profit	11,407,595	9,361,236
Operating expenses:		
Research and development	1,750,013	1,555,112
Selling, general and administrative	4,869,064	4,818,681
Operating income	4,788,518	2,987,443
Other income / (expense):		
Interest expense	(86,234)	(328,389)
Interest and other income (expense)	287,200	(17,026)
Earnings before taxes on income	4,989,484	2,642,028
Taxes on income	1,744,619	1,087,273
Net earnings from continuing operations	3,244,865	1,554,755
Discontinued operations:		
Gain (loss) on disposal of Carpenter	(108,126)	--
Net earnings	$ 3,136,739	$ 1,554,755
Basic net earnings per share:		
Net earnings from continuing operations	$ 0.27	$ 0.15
Gain (loss) from discontinued operations:		
Gain (loss) on disposal of Carpenter	(0.01)	--
Basic net earnings per share	$ 0.26	$ 0.15
Diluted net earnings per share:		
Net earnings from continuing operations	$ 0.26	$ 0.15
Gain (loss) from discontinued operations:		
Gain (loss) on disposal of Carpenter	(0.01)	--

Diluted net earnings per share	$ 0.25	$ 0.15
Basic weighted average common shares outstanding	11,918,000	10,522,000
Diluted weighted average common shares outstanding	12,563,000	10,560,000

See Notes to Condensed Consolidated Financial Statements.

SPARTAN MOTORS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Nine Months Ended September 30,	
	2002	2001
Sales	$ 196,099,013	$ 172,981,443
Cost of products sold	160,829,600	145,473,598
Gross profit	35,269,413	27,507,845
Operating expenses:		
Research and development	5,404,447	4,675,690
Selling, general and administrative	15,733,168	14,110,443
Operating income	14,131,798	8,721,712
Other income / (expense):		
Interest expense	(300,470)	(1,202,626)
Interest and other income (expense)	339,821	165,165
Earnings before taxes on income	14,171,149	7,684,251
Taxes on income	4,956,716	3,363,449
Net earnings from continuing operations	9,214,433	4,320,802
Discontinued operations:		
Gain on disposal of Carpenter	269,314	--
Net earnings	$ 9,483,747	$ 4,320,802
Basic net earnings per share:		
Net earnings from continuing operations	$ 0.81	$ 0.41
Gain from discontinued operations:		

Gain on disposal of Carpenter	0.02	--
Basic net earnings per share	$ 0.83	$ 0.41
Diluted net earnings per share:		
Net earnings from continuing operations	$ 0.78	$ 0.41
Gain from discontinued operations:		
Gain on disposal of Carpenter	0.02	--
Diluted net earnings per share	$ 0.80	$ 0.41
Basic weighted average common shares outstanding	11,400,000	10,520,000
Diluted weighted average common shares outstanding	11,899,000	10,541,000

See Notes to Condensed Consolidated Financial Statements.

SPARTAN MOTORS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(UNAUDITED)

	Number of Shares	Common Stock	Additional Paid In Capital	Retained Earnings	Total
Balance at January 1, 2002	10,722,142	$107,221	$21,133,937	$15,670,885	$36,912,043
Net proceeds from exercise of stock options including tax benefit of $2,413,000	1,278,490	12,785	9,455,859		9,468,644
Dividends paid				(1,130,161)	(1,130,161)
Other			53,000		53,000
Comprehensive income:					
Net earnings				9,483,747	9,483,747
Balance at September 30, 2002	12,000,632	$120,006	$30,642,796	$24,024,471	$54,787,273

See Notes to Condensed Consolidated Financial Statements.

SPARTAN MOTORS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Nine Months Ended September 30,	
	2002	2001
Cash flows from operating activities:		
Net earnings from continuing operations	$ 9,214,433	$ 4,320,802
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	1,427,740	1,280,985
Amortization	--	312,749
Loss (gain) on sales of assets	(2,083)	4,535
Decrease (increase) in assets:		
Accounts receivable	(2,790,607)	(758,403)
Inventories	(372,864)	2,100,110
Federal taxes receivable	--	5,697,352
Other assets	700,855	365,084
Increase (decrease) in liabilities:		
Accounts payable	2,597,667	1,401,397
Other current liabilities and accrued expenses	883,498	(1,082,884)
Accrued warranty	43,111	(216,366)
Accrued customer rebates	255,715	14,050
Accrued taxes on income	997,300	2,885,525
Accrued vacation	(33,072)	87,422
Accrued compensation and related taxes	1,020,154	(424,009)
Tax benefit from options exercised	2,413,000	--
Deposits from customers	238,318	1,461,960
Total adjustments	7,378,732	13,129,507
Net cash provided by continuing operating activities	16,593,165	17,450,309
Net cash used in discontinued operating activities	(286,923)	(2,746,773)
Net cash provided by operating activities	16,306,242	14,703,536
Cash flows from investing activities:		
Purchases of property, plant and equipment	(4,699,242)	(1,507,812)
Proceeds from sales of property, plant and equipment	2,083	30,915
Net cash used in investing activities	(4,697,159)	(1,476,897)

(Continued)

SPARTAN MOTORS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Continued)

	Nine Months Ended September 30,	
	2002	2001
Cash flows from financing activities:		
Payments on notes payable		$ (30,000)
Payments on long-term debt	$ (11,405,079)	(13,011,428)
Dividends paid	(1,130,161)	(736,265)
Net proceeds from the exercise of stock options	7,055,644	33,923
Other	53,000	--
Net cash used in financing activities	(5,426,596)	(13,743,770)
Net increase (decrease) in cash and cash equivalents	6,182,487	(517,131)
Cash and cash equivalents at beginning of period	4,192,785	535,030
Cash and cash equivalents at end of period	$ 10,375,272	$ 17,899

See Notes to Condensed Consolidated Financial Statements.

SPARTAN MOTORS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1

For a description of the accounting policies followed refer to the notes to the Spartan Motors, Inc. (the "Company") annual consolidated financial statements for the year ended December 31, 2001, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 22, 2002.

Note 2

The accompanying unaudited interim condensed consolidated financial statements reflect all normal and recurring adjustments that are necessary for the fair presentation of the Company's financial position as of September 30, 2002 and the results of operations and cash flows for the periods presented.

Note 3

The results of operations for the nine-month period ended September 30, 2002 are not necessarily indicative of the results to be expected for the full year.

Note 4

Inventories consist of raw materials and purchased components, work in process, and finished goods and are summarized as follows:

	September 30, 2002	December 31, 2001
Finished goods	$ 5,390,193	$ 6,466,152
Raw materials and purchased components	13,383,924	11,234,222
Work in process	7,176,010	7,399,713
Obsolescence reserve	(1,989,450)	(1,512,274)
	$ 23,960,677	$ 23,587,813

Note 5

Since October 23, 1998, the Company has consolidated its majority-owned subsidiary, Carpenter Industries, Inc. ("Carpenter"), and recognized 100% of Carpenter's operating results. On September 28, 2000, the Company's Board of Directors passed a resolution to cease funding of Carpenter. Carpenter's Board of Directors then voted on September 29, 2000 to begin the orderly liquidation of Carpenter. Since Carpenter was a separate segment of the Company's business, the operating results and the disposition of Carpenter's net assets were accounted for as a discontinued operation.

Note 5 (continued)

The assets or liabilities of the discontinued operations have been segregated in the consolidated balance sheets. Details of such amounts are as follows:

	September 30, 2002	December 31, 2001
Cash and cash equivalents	$ 109,579	$ 1,453,198
Other current assets	214,017	84,717
Current assets of discontinued operations	$ 323,596	$ 1,537,915
Notes payable		$ 1,135,556
Other current liabilities	$ 25,000	660,000

Current liabilities of discontinued operations	$ 25,000	$ 1,795,556

Note 6

Sales and other financial information by business segment are as follows (amounts in thousands):

Three Months Ended September 30, 2002

	Business Segments				
	Chassis	EVTeam	Intangibles	Other	Consolidated
Net sales	$ 50,873	$ 16,032		$ (2,840)	$ 64,065
Interest expense	57	145		(116)	86
Depreciation expense	176	206		117	499
Income tax expense	1,570	153		22	1,745
Segment earnings from continuing operations	2,688	301		256	3,245
Discontinued operations	--	--		(108)	(108)
Segment earnings	2,688	301		148	3,137
Segment assets	38,053	28,628	$ 4,543	17,090	88,314

Note 6 (continued)

Three Months Ended September 30, 2001

	Business Segments				
	Chassis	EVTeam	Intangibles	Other	Consolidated
Net sales	$ 43,889	$ 18,332		$ (6,418)	$ 55,803
Interest expense	49	208		71	328
Depreciation and amortization expense	195	103	$ 104	127	529
Income tax expense (benefit)	961	176	--	(50)	1,087
Segment earnings (loss) from continuing operations	1,582	328	(104)	(251)	1,555
Discontinued operations	--	--	--	--	--
Segment earnings (loss)	1,582	328	(104)	(251)	1,555
Segment assets	52,195	29,823	4,648	(1,600)	85,066

Nine Months Ended September 30, 2002

	Business Segments				
	Chassis	EVTeam	Intangibles	Other	Consolidated
Net sales	$ 154,385	$ 51,568		$ (9,854)	$ 196,099
Interest expense	142	398		(240)	300
Depreciation expense	620	456		352	1,428
Income tax expense	4,791	609		(443)	4,957

	Chassis	EVTeam	Intangibles	Other	Consolidated
Segment earnings (loss) from continuing operations	8,350	961		(97)	9,214
Discontinued operations	--	--		270	270
Segment earnings	8,350	961		173	9,484
Segment assets	38,053	28,628	$ 4,543	17,090	88,314

Nine Months Ended September 30, 2001

	Business Segments				
	Chassis	EVTeam	Intangibles	Other	Consolidated
Net sales	$ 132,768	$ 52,682		$ (12,469)	$ 172,981
Interest expense	276	625		302	1,203
Depreciation and amortization expense	637	309	$ 313	335	1,594
Income tax expense	2,828	498	--	37	3,363
Segment earnings (loss) from continuing operations	4,572	923	(313)	(861)	4,321
Discontinued operations	--	--	--	--	--
Segment earnings (loss)	4,572	923	(313)	(861)	4,321
Segment assets	52,195	29,823	4,648	(1,600)	85,066

Note 7

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets," effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill (and intangible assets deemed to have indefinite lives) will no longer be amortized, but will be subject to annual impairment tests in accordance with the Statements. Other intangible assets will continue to be amortized over their useful lives. The Company applied the new rules on accounting for goodwill and other intangible assets beginning in the first quarter of 2002. Application of the non-amortization provisions of SFAS No. 142 would have resulted in an increase net earnings of $104,251 ($0.01 per diluted share) and $312,753 ($0.03 per diluted share) in the three- and nine-month periods ended September 30, 2001, respectively. During the second quarter of 2002, the Company completed the initial impairment tests of goodwill as of January 1, 2002 as prescribed by SFAS No. 142, and has concluded that goodwill is not impaired.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of," and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations" for a disposal of a segment of a business. The Company was required to adopt SFAS No. 144 as of January 1, 2002 and it does not expect the adoption of the Statement to have a significant impact on the Company's financial position and results of operations.

The Company is in the process of disposing of certain real property which is no longer being used in the operations of the business. The Company expects that disposition of such property will be completed within the next year given current market conditions and the location and condition of the properties, subject only to the resolution of a legal issue with respect to the property which is currently in litigation. Under the provisions of SFAS No. 144, such property is recorded in the accompanying consolidated balance sheets at the lower of cost or estimated net selling price. The property is no longer being depreciated pending its sale. However, under the transition rules contained in SFAS No. 144, should this asset no longer qualify as an asset held for sale at December 31, 2002 under the definition contained in the Statement, the asset would be reclassified as an asset held and used at that date and re-measured to the lower of its original carrying amount adjusted for depreciation had the asset been in continuous use or its fair value.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion of the major elements impacting the Company's financial and operating results for the three- and nine-month periods ended September 30, 2002 compared to the three- and nine-month periods ended September 30, 2001. The comments that follow should be read in conjunction with the Company's condensed consolidated financial statements and related notes contained in this Form 10-Q.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, the components of the Company's consolidated statements of operations, on an actual basis, as a percentage of sales:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
Sales	100.0%	100.0%	100.0%	100.0%
Cost of product sold	82.2%	83.2%	82.0%	84.1%
Gross profit	17.8%	16.8%	18.0%	15.9%
Operating expenses:				
Research and development	2.7%	2.8%	2.8%	2.7%
Selling, general, and administrative	7.6%	8.6%	8.0%	8.2%
Operating income	7.5%	5.4%	7.2%	5.0%
Other income (expense)	0.3%	(0.7%)	0.0%	(0.6%)
Earnings before taxes on income	7.8%	4.7%	7.2%	4.4%
Taxes on income	2.7%	1.9%	2.5%	1.9%
Net earnings from continuing operations	5.1%	2.8%	4.7%	2.5%
Discontinued operations:				
Gain (loss) on disposal of Carpenter	(0.2%)	--	0.1%	--
Net earnings	4.9%	2.8%	4.8%	2.5%

Quarter Ended September 30, 2002, Compared to the Quarter Ended September 30, 2001

For the three months ended September 30, 2002, consolidated sales increased $8.3 million (14.8%) to $64.1 million, from $55.8 million in the third quarter of 2001. Chassis Group sales for this period increased by $7.0 million (15.9%). The majority of this increase is due to higher sales of motorhome chassis. During the third quarter of 2002, motorhome chassis sales were 29.2% higher than the third quarter of 2001. This increase is due to increased demand for motorhomes, in part as a result of more stable economic conditions in the United States.

Fire truck chassis sales in the third quarter of 2002 were down 10.4% over the same period of 2001. The fire truck market continues to be strong in 2002, with the decrease in sales primarily attributable to a temporary decrease in orders after the terrorist attacks of September 11, 2001. Orders continue to be strong in the third quarter of 2002 (as noted below), but the majority of sales revenue related to these orders will not be reflected until the fourth quarter of 2002 and first quarter of 2003. The lag is due to lead times for major fire truck chassis components and to a short-term lower availability of engines stemming from higher engine emission standards.

EVTeam sales decreased $2.3 million, or 12.5%, from their sales level in the prior year's third quarter. The EVTeam's solid backlog insulated the segment in the first two quarters of 2002 from the short-term decrease in orders subsequent to September 11th. However, the third quarter was impacted by the decrease.

Gross margin increased from 16.8% for the quarter ended September 30, 2001 to 17.8% for the same period of 2002. This increase is due to two primary factors. First, improved product quality and reliability has translated to lower warranty expense. Second, continued inventory monitoring, coupled with lower inventory levels, has resulted in fewer inventory write-offs.

Operating expenses as a percentage of sales dropped from 11.4% for the third quarter of 2001 to 10.3% for the third quarter of 2002. Operating expenses in dollars rose slightly ($0.2 million, or 3.9%), as the Company continues its efforts in research and development and in marketing its brand image.

Other income (expense) improved from (0.7)% of sales in the three months ended September 30, 2001 to 0.3% of sales in the same period in 2002. The Company paid off its interest bearing debt during April of 2002, resulting in lower interest expense in 2002 than in 2001.

The effective tax rate in the third quarter of 2002 was 35.0% versus 41.1% for the third quarter of 2001. The Company's effective tax rate fluctuates based upon the states where sales occur and with the level of export sales.

On September 28, 2000, the Company's Board of Directors passed a resolution to cease funding of the Company's majority-owned subsidiary, Carpenter Industries, Inc. Carpenter's Board of Directors then voted on September 29, 2000, to begin the orderly liquidation of Carpenter. The disposition of Carpenter's assets is being accounted for as a discontinued operation. The $0.1 million loss on disposal of Carpenter in the third quarter of 2002 is a result of the Company's revision of its estimated loss to dispose of the business, based upon resolution of certain litigation related to the disposal. There was no impact from the discontinued operation in the third quarter of 2001. Details of Carpenter's assets and liabilities at September 30, 2002 and December 31, 2001 are set forth in Note 5 to the condensed consolidated financial statements included in Item 1 of this Form 10-Q.

Total chassis orders received during the third quarter of 2002 increased 16.6% compared to the same period in 2001. This is due to a 9.3% increase in motorhome chassis orders coupled with a 39.4% increase in fire truck chassis orders. Based on average order lead-time, the Company estimates that approximately one-half of the motorhome, one-third of the specialty, and none of the fire truck chassis orders received during the three-month period ended September 30, 2002 were produced and delivered by September 30, 2002.

Nine-Month Period Ended September 30, 2002, Compared to the Nine-Month Period Ended September 30, 2001

For the nine months ended September 30, 2002, consolidated sales increased $23.1 million (13.4%) to $196.1 million, from $173.0 million in the first nine months of 2001. Chassis Group sales for these periods increased by $21.6 million (16.3%). The majority of this increase is due to higher sales of motorhome chassis. During the nine months ended September 30, 2002, motorhome chassis sales were 37.2% higher than the same period in 2001. This increase is due to increased demand for motorhomes, in part as a result of more stable economic conditions in the United States.

Fire truck chassis sales in the first nine months of 2002 were down 14.7% over the same period of 2001. The fire truck market continues to be strong in 2002, with the decrease in sales primarily attributable to a temporary decrease in orders after the terrorist attacks of September 11, 2001. Orders continue to be strong in the third quarter of 2002 (as noted below), but the majority of sales revenue related to these orders will not be reflected until the fourth quarter of 2002 and the first quarter of 2003. The lag is due to lead times for major fire truck chassis components and to a short-term lower availability of engines stemming from higher engine emission standards.

EVTeam sales decreased slightly ($1.1 million, or 2.1%), from their sales level in the prior year's first nine months. The EVTeam's solid backlog insulated the segment in the first two quarters of 2002 from the short-term decrease in orders subsequent to September 11$^{th.}$ However, the third quarter was impacted by the decrease, causing a decrease for the first nine months of 2002.

Gross margin increased from 15.9% for the nine months ended September 30, 2001 to 18.0% for the same period of 2002. This increase is due to two primary factors. First, improved product quality and reliability has translated to lower warranty expense. Second, continued inventory monitoring coupled with lower inventory levels has resulted in fewer inventory write-offs.

Operating expenses as a percentage of sales dropped slightly to 10.8% for the nine months ending September 30, 2002 versus 10.9% for the same period in 2001. Operating expenses in dollars rose $2.4 million, or 12.5%, as the Company continues its efforts in research and development and in marketing its brand image.

Other income (expense) improved from (0.6)% of sales in the nine months ended September 30, 2001 to 0.0% of sales in the same period in 2002. The Company paid off its interest bearing debt during April of 2002, resulting in lower interest expense in 2002 than in 2001.

The effective tax rate in the first nine months of 2002 was 35.0% versus 43.8% for the first nine months of 2001. The Company's effective tax rate fluctuates based upon the states where sales occur and with the level of export sales.

On September 28, 2000, the Company's Board of Directors passed a resolution to cease funding of the Company's majority-owned subsidiary, Carpenter Industries, Inc. Carpenter's Board of Directors then voted on September 29, 2000, to begin the orderly liquidation of Carpenter. The disposition of Carpenter's assets is being accounted for as a discontinued operation. The $0.3 million gain on disposal of Carpenter in 2002 is a result of the Company's revision of its estimated loss to dispose of the business, based upon resolution of open items related to the disposal. There was no impact from the discontinued operation in the first nine months of 2001. Details of Carpenter's assets and liabilities at September 30, 2002 and December 31, 2001, are set forth in Note 5 to the condensed consolidated financial statements included in Item 1 of this Form 10-Q.

Total chassis orders received during the first nine months of 2002 increased 7.2% compared to the same period in 2001. This is due to a 7.4% increase in motorhome chassis orders coupled with a 10.2% increase in fire truck chassis orders. Based on average order lead-time, the Company estimates that approximately three-quarters of the motorhome, one-half of the specialty, and one-third of the fire truck chassis orders received during the nine-month period ended September 30, 2002 were produced and delivered by September 30, 2002.

At September 30, 2002, the Company had $80.5 million in backlog compared with a backlog of $84.0 million related to continuing operations at September 30, 2001. This was due to an increase in Chassis Group backlog of $9.4 million, or 20.8%, offset by a decrease in EVTeam backlog of $12.8 million, or 32.9%.

While orders in the backlog are subject to modification, cancellation or rescheduling by customers, the Company has not experienced significant modification, cancellation or rescheduling of orders in the past. Although the backlog of unfilled orders is one of many indicators of market demand, several factors, such as changes in production rates, available capacity, new product introductions and competitive pricing actions, may affect actual sales. Accordingly, a comparison of backlog from period to period is not necessarily indicative of eventual actual shipments.

LIQUIDITY AND CAPITAL RESOURCES

For the nine months ended September 30, 2002, cash provided by operating activities from continuing operations was $16.6 million, which was $0.9 million (5.1%) lower than the $17.5 million of cash provided by operating activities from continuing operations for the nine months ended September 30, 2001. See the Condensed Consolidated Statements of Cash Flows contained in Item 1 of this Form 10-Q for the various factors that led to this decrease. The cash provided by operating activities in 2002, combined with the cash on hand at December 31, 2001 and cash provided from the exercise of stock options of $7.1 million, allowed the Company to pay off $11.4 million in long-term debt, pay dividends of $1.1 million and also to fund $4.7 million in property, plant and equipment purchases, primarily related to the Company's plant expansion in South Carolina. The Company's working capital increased $5.3 million from $29.2 million at December 31, 2001 to $34.5 million at September 30, 2002. See the Condensed Consolidated Statements of Cash Flows contained in Item 1 of this Form 10-Q for further information regarding the increase in cash and cash equivalents, from $4.2 million at December 31, 2001 to $10.4 million at September 30, 2002.

Shareholders' equity increased $17.9 million in the nine months ended September 30, 2002 to $54.8 million. This change resulted from the $9.5 million in net earnings of the Company, the receipt of $7.1 million from the exercise of stock options and the $2.4 million tax benefit related to the exercise of stock options, offset by $1.1 million paid in dividends.

The Company's primary line of credit is a $25.0 million revolving note payable to a bank. The Company also has the availability for term notes under the same debt agreement. Under the terms of the line of credit and term note agreement, the Company is required to maintain certain financial ratios and other financial conditions. The agreement also prohibits the Company from incurring additional indebtedness, limits certain acquisitions, investments, advances or loans, and restricts substantial asset sales. At September 30, 2002 the Company was not subject to any debt covenants because no borrowings were outstanding.

The Company also has a secured line of credit for $0.2 million and an unsecured line of credit for $1.0 million. The $0.2 million line carries an interest rate of 2% above the bank's prime rate (prime rate at September 30, 2002 was 4.75%) and has an expiration date of June 1, 2003. This line of credit is secured by accounts receivable, inventory and equipment. There were no borrowings on this line at September 30, 2002. The $1.0 million line carries an interest rate of 1% above the bank's prime rate and expires only if there is a change in management. There were no borrowings on the $1.0 million line at September 30, 2002. The Company believes it has sufficient resources from cash flows from operating activities and, if necessary, from additional borrowings under its lines of credit to satisfy ongoing cash requirements for the next 12 months.

EFFECT OF INFLATION

Inflation affects the Company in two principal ways. First, the Company's debt is tied to the prime and LIBOR interest rates so that increases affecting interest rates may be translated into additional interest expense. Second, general inflation impacts prices paid for labor, parts and supplies. Whenever possible, the Company attempts to cover increased costs of production and capital by adjusting the prices of its products. However, the Company generally does not attempt to negotiate inflation-based price adjustment provisions into its contracts. Since order lead times can be as much as six months, the Company has limited ability to pass on cost increases to its customers on a short-term basis. In addition, the markets the Company serves are competitive in nature, and competition limits the Company's ability to pass through cost increases in many cases. The Company strives to minimize the effect of inflation through cost reductions and improved productivity.

FORWARD-LOOKING STATEMENTS

This Form 10-Q contains statements that are not historical facts. These statements are called "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements involve important known and unknown risks, uncertainties and other factors and can be identified by phrases using "estimate," "anticipate," "believe," "project," "expect," "intend," "predict," "potential," "future," "may," "should" and similar expressions or words. Our future results, performance or achievements may differ materially from the results, performance or achievements discussed in the forward-looking statements. There are numerous factors that could cause actual results to differ materially from the results discussed in forward-looking statements, including:

- Changes in existing products liability, tort or warranty laws or the introduction of new laws, regulations or policies that could affect our business practices: these laws, regulations or policies could impact our industry as a whole, or could impact only those portions in which we are currently active, for example, laws regulating the design or manufacture of emergency vehicles or regulations issued by the National Fire Protection Association; in either case, our profitability could be injured due to an industry-wide market decline or due to our inability to compete with other companies that are unaffected by these laws, regulations or policies.

- Changes in environmental regulations: these regulations could have a negative impact on our earnings; for example, laws mandating greater fuel efficiency could increase our research and development costs and lead to the temporary unavailability of engines.

- Changes in economic conditions, including changes in interest rates, financial market performance and our industry: these types of changes can impact the economy in general, resulting in a downward trend that impacts not only our business, but all companies with which we compete; or, the changes can impact only those parts of the economy upon which we rely in a unique fashion, including, by way of example:

    - Factors that impact our attempts to expand internationally, such as the introduction of trade barriers in the United States or abroad.

- Changes in relationships with major customers: an adverse change in our relationship with major customers would have a negative impact on our earnings and financial position.

- The effects of the September 11, 2001 terrorist attacks: the considerable political and economic uncertainties resulting from these events could adversely affect the Company's order intake and sales, particularly in the motorhome market.

- Factors that we have discussed in previous public reports and other documents filed with the Securities and Exchange Commission.

This list provides examples of factors that could affect the results described by forward-looking statements contained in this Form 10-Q. However, this list is not intended to be exhaustive; many other factors could impact our business and it is impossible to predict with any accuracy which factors could result in which negative impacts. Although we believe that the forward-looking statements contained in this Form 10-Q are reasonable, we cannot provide you with any guarantee that the anticipated results will be achieved. All forward-looking statements in this Form 10-Q are expressly qualified in their entirety by the cautionary statements contained in this section and you are cautioned not to place undue reliance on the forward-looking statements contained in this Form 10-Q. In addition to the risks listed above, other risks may arise in the future, and we disclaim any obligation to update information contained in any forward-looking statement.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The Company's primary market risk exposure is a change in interest rates in connection with its outstanding variable rate short-term and long-term debt. However, at September 30, 2002, the Company had no debt outstanding under its variable rate short-term and long-term debt.

Item 4. Controls and Procedures.

The Company's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-4(c) under the Securities Exchange Act of 1934) as of a date within 90 days of the filing date of this Quarterly Report on Form 10-Q (the "Evaluation Date"). They have concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures were adequate and effective. There were no significant changes in the Company's internal controls or in other factors that could significantly affect the Company's disclosure controls and procedures subsequent to the Evaluation Date.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits. The following documents are filed as exhibits to this report on Form 10-Q:

Exhibit No.	Document
3.1	Spartan Motors, Inc. Restated Articles of Incorporation, as amended to date. Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2000, and incorporated herein by reference.
3.2	Spartan Motors, Inc. Bylaws, as amended to date. Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2001, and incorporated herein by reference.

(b) Reports on Form 8-K. The Company filed the following Current Report on Form 8-K during the quarter ended September 30, 2002. This Form 8-K was furnished pursuant to Regulation FD and is considered to have been "furnished" but not "filed" with the Securities and Exchange Commission.

Date of Report	Filing Date	Item(s) Reported
August 1, 2002	August 1, 2002	This Form 8-K included a press release that announced the Company's financial results for the second quarter of 2002 and included condensed income statements for the three- and six-month periods ended June 30, 2002 and 2001.

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.

Date: November 12, 2002

SPARTAN MOTORS, INC.

By /s/ James W. Knapp

James W. Knapp
Chief Financial Officer
(Principal Accounting and Financial Officer)

CERTIFICATIONS

I, John E. Sztykiel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Spartan Motors, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

    a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

    c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 12, 2002

/s/ John E. Sztykiel

President and Chief Executive Officer

I, James W. Knapp, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Spartan Motors, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

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6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 12, 2002

/s/ James W. Knapp

Chief Financial Officer

EXHIBIT INDEX

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