The following information is taken from French Corporation's financial statements:

|  |  |
| --- | --- |
|  | December 31 |
|  | 2011 | 2010 |
| Cash | $90,000 | $ 27,000 |
| Accounts Receivable |   92,000 | 80,000 |
|   Allowance for Doubtful Accounts |   ( 4,500) |  ( 3,100) |
| Inventory | 155,000 | 175,000 |
| Prepaid Expenses |   7,500 |   6,800 |
| Land |  90,000 |  60,000 |
| Buildings | 287,000 | 244,000 |
|   Accumulated Depreciation |  ( 32,000) |  (13,000) |
| Patents |  20,000 |  35,000 |
|         Total Assets | $705,000 | $611,700 |
|  |  |  |
| Accounts Payable | $ 90,000 | $ 84,000 |
| Accrued Liabilities |   54,000 |   63,000 |
| Bonds Payable | 125,000 |  60,000 |
| Common Stock | 100,000 | 100,000 |
| Retained Earnings - Appropriated | 80,000 | 100,000 |
| Retained Earnings - Unappropriated | 271,000 | 212,700 |
| Treasury Stock, at cost |  (15,000) |   ( 8,000) |
|  |  |  |
| Total Liabilities and Equity | $705,000 | $611,700 |
|  |   |   |
|   | For 2011 Year |  |
| Net Income | $58,300 |  |
| Depreciation Expense |   19,000 |  |
| Amortization of Patents |   5,000 |  |
| Cash dividends declared and paid | 20,000 |  |
| Gain or Loss on Sale of Patents |  none |  |

**Instructions**

Prepare a statement of cash flows for French Corporation for the year 2011. (Use the indirect method.)