

BOULDER TOTAL RETURN FUND INC  
Form N-CSR  
February 06, 2006

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

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-07390

Boulder Total Return Fund Inc.  
(Exact name of registrant as specified in charter)

Fund Administrative Services

1680 38<sup>th</sup> Street, Suite 800

Boulder, CO  
(Address of principal executive offices)

80301  
(Zip code)

Fund Administrative Services

1680 38<sup>th</sup> Street, Suite 800

Boulder, CO 80301  
(Name and address of agent for service)

Registrant's telephone number, including area code: (303) 444-5483

Date of fiscal year November 30, 2005  
end:

Date of reporting period: November 30, 2005

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**Item 1. Reports to Stockholders.**

The Report to Shareholders is attached herewith.

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**Boulder Total Return Fund, Inc.**

Annual Report

November 30, 2005

Dear Shareholder:

The Boulder Total Return Fund, Inc. had a total return on net asset value ("NAV") of 5.58% for the fiscal year ending November 30, 2005. Therefore, we achieved our first goal: don't lose what you already have. We fell shy of achieving another goal: beat the S&P 500 Index. The S&P 500 Index was up 8.44% for the same period, 2.86% better than the Fund. This is the first time in 6 years we didn't beat the S&P 500 Index for a full fiscal year of the Fund. Although we'd like to beat the S&P 500 Index every year, we know, and we hope you know, that failing to beat the S&P Index 500 Index one year means very little in the long run. That's because the "long run" is precisely what we're investing for.

**Total Returns***For the Periods ending November 30, 2005*

	<b>BTF NAV with Dilution#</b>	<b>BTF NAV without Dilution</b>	<b>S&amp;P 500 Index</b>	<b>Dow Jones Industrial Average</b>	<b>NASDAQ Composite</b>
Most Recent					
3 months	2.7%	2.7%	2.9%	3.8%	4.0%
6 months	2.8%	2.8%	5.9%	4.5%	8.4%
<b>1 year</b>	<b>5.6%</b>	<b>5.6%</b>	<b>8.4%</b>	<b>6.1%</b>	<b>7.3%</b>
3 years*	11.9%	14.4%	12.1%	9.1%	15.4%
5 years*	7.6%	9.0%	0.6%	2.9%	2.5%
Since 8/1999**	7.4%	8.5%	0.7%	2.0%	2.8%

# The total returns for BTF include the effect of dilution from the 7/2003 rights offering, affecting the 3 Year, 5 Year and since 8/1999 returns.

\* Annualized

\*\* Annualized since August 28, 1999, the date the current Advisers became investment advisers to the Fund.

The Fund declared a \$0.74 per share dividend paid on December 30, 2005. This was comprised of \$0.57 of long-term capital gains and \$0.17 of net investment income. For the past two years, we've actually realized gains, but we didn't have to pay them out because the Fund had capital loss carry-forwards from long back, even before we became advisors. These capital loss carry-forwards were finally exhausted this year. The reason for the seemingly high net investment income is due to the fact that we pay our Auction Market Preferred ("AMP") shareholders a dividend every month, and the tax characteristic of those dividends must be proportional to what we pay our common shareholders. Therefore, the AMP shareholders received a proportional amount of capital gains as well.

The Fund's largest holding, Berkshire Hathaway, contributed positively to the Fund this year, up 6.8%. Berkshire Hathaway makes up such a significant portion of our portfolio, that *its* performance really has an impact on the Fund's performance. Some of the bigger contributors to the Fund's performance this year were: First American Corporation, up 42.8%; Forest Laboratories, a new holding, up 20.4% since we bought it; and Schering Plough, which we sold at a loss this last year, but it was up 20% since November 30, 2004. On the downside, some of the real estate investment trusts ("REITs") pulled back, including two of our larger positions: Hospitality Property Trust, down 8.3% in price, although after dividends our loss was only about 2%, and HRPT Properties, down 9.5% in price or down 2.7% after dividends.

We added a few new names to the portfolio. The most significant were Anheuser-Busch (Budweiser) and Wal-Mart. These two companies are well known market-leading brands and are household names in the U.S. They were trading at reasonable levels when we bought them. Combined, the two stocks currently comprise almost 10% of the Fund's assets. Another new name is Caterpillar, which makes construction

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machinery such as bulldozers and earth-moving machines. All three of these companies dominate their respective markets in the U.S., and Wal-Mart and Caterpillar have a strong and growing international presence.

Last year, we had nearly 25% of the Fund's assets invested in REITs. We began buying them all the way back in 2000, and we still own some that we bought back then. REITs in general have done very well relative to the rest of the market over this time period. We've taken some of these chips off the table, realizing some healthy profits, which are on top of the dividends we've collected since we purchased them. Now REITs are about 14% of the Fund's assets, and we've continued to sell recently. We've been finding some opportunities in other yield producing areas namely closed-end income funds trading at wide discounts.

You'll also see that we purchased two new foreign holdings. Lloyds TSB group is one of the larger banks in the United Kingdom. We bought the shares in UK denominated British Pounds. The second is Midland Holdings, a Hong Kong based property broker. These shares trade on the Hong Kong exchange, and we bought them in Hong Kong Dollars. Lloyds has a dividend yield of almost 7%, and Midlands about 6%. We bought them not only for the yield, but hopefully for some long-term price appreciation as well. In addition, if the US dollar weakens against these currencies, we'll gain from that as well. Of course the opposite is true if the US dollar strengthens, we'll lose proportional to the strengthening. These two securities, along with Heineken and Kiwi Income Property Trust, all of which are denominated in their sovereign currency, make up 4.5% of the Fund's total assets. And together with the UK and New Zealand government bonds that the Fund owns, total exposure to foreign currencies is 6.5% of the Fund's assets. We believe that over time the US dollar will weaken against these foreign currencies.

There have been several world-wide tremors that have occurred in the past year literally! The most devastating was the tsunami in Malaysia a year ago, killing nearly 200,000 people. The next was hurricane Katrina which decimated New Orleans. Finally, the 7.6 magnitude earthquake that took place in Pakistan, killing tens of thousands of people, and leaving scores of people homeless. These natural disasters are harrowing and all have an obvious impact on life and property. Everyone's heart goes out to the victims of these natural disasters. These events provoke not only an emotional response, but economic as well. Insurance companies can see large claims, and industries that are domiciled in the affected areas could go under or at least see significant setbacks. These three events, following four years after 9/11, certainly impact the way investors view the market. The world seems to keep getting smaller and smaller. How does this affect investors? Look at what you're invested in. Will the company's wares still be around and be required long down the road, even if a catastrophe strikes? It's something we think about when we invest.

All in all, despite not beating the S&P 500, the Fund did OK. We hope over time to do even better. We want to assure our shareholders that we understand our mission is to invest their money wisely, safely and fruitfully, and we strive to achieve this goal. After all, our money is in there right along side yours.

Sincerely,

Stewart R. Horejsi

December 27, 2005

*Our website at [www.boulderfunds.net](http://www.boulderfunds.net) is an excellent source for information on the Fund. If you've lost your annual report, or want to read an old one, it's available on the website. You will also find information about the Boulder Total Return Fund's sister fund the Boulder Growth & Income Fund.*

**Boulder Total Return Fund, Inc.**

**Exhibit 1**

**(Unaudited)**

*Change in Principal Value of Asset Classes 12/01/2004 to 11/30/2005*

		Common Stock Investments			
		REITS	Industrials	RICS	Total
Beginning Market Value	11/30/04	\$ 78,179,205	\$ 187,673,890	\$ 0	\$ 265,853,095
Cost of Purchases	12/1/04 - 11/30/05	3,693,646	73,221,864	5,659,660	82,575,170
Proceeds from Sales	12/1/04 - 11/30/05	33,250,572	40,132,173	1,645,490	75,028,235
Net Purchases/(Sales)		(29,556,926)	33,089,691	4,014,170	\$ 7,546,935
Beginning Market Value Plus					
Net Purchases/(Sales)		48,622,279	220,763,581	4,014,170	\$ 273,400,030
Net Appreciation		(1,095,393)	12,600,281	(144,094)	11,360,794
Ending Market Value	11/30/05	47,526,886	233,363,862	3,870,076	\$ 284,760,824
Number of Issues Held	11/30/05		4	21	2
Cash, US Treasuries, Foreign Treasuries, Bonds, Other Assets and Liabilities.					\$ 52,102,030
AMPS Redemption Value					(77,500,000)
Total Net Assets applicable to Common Stock Shareholders					\$ 259,362,854

**Financial Data  
(Unaudited)**

	Per Share of Common Stock	
	Net Asset Value	NYSE Closing Price
12/31/04	\$ 20.96	\$ 18.75
1/31/05	\$ 20.39	\$ 18.32
2/28/05	\$ 20.81	\$ 18.02
3/31/05	\$ 20.24	\$ 17.45
4/30/05	\$ 20.08	\$ 16.84
5/31/05	\$ 20.45	\$ 17.24

	Per Share of Common Stock	
	Net Asset Value	NYSE Closing Price
6/30/05	\$ 20.61	\$ 17.04
7/31/05	\$ 21.03	\$ 17.52

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8/31/05	\$	20.46	\$	17.08
9/30/05	\$	20.36	\$	17.30
10/31/05	\$	20.40	\$	16.93
11/30/05	\$	21.02	\$	17.57



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Portfolio of Investments as of November 30, 2005 Boulder Total Return Fund, Inc.

Shares	Description	Value (Note 1)
<b>LONG TERM INVESTMENTS-86.9%</b>		
<b>DOMESTIC COMMON STOCKS-78.7%</b>		
<b>Beverages-4.2%</b>		
323,000	Anheuser-Busch Companies, Inc.	\$ 14,128,020
<b>Construction Machinery-1.0%</b>		
60,000	Caterpillar, Inc.	3,466,800
<b>Diversified-26.4%</b>		
690	Berkshire Hathaway Inc., Class A	61,679,100
9,200	Berkshire Hathaway Inc., Class B	27,186,000
		88,865,100
<b>Financial Services-4.8%</b>		
293,360	Citigroup, Inc.	14,242,628
177,000	Doral Financial Corp.	1,793,010
		16,035,638
<b>Insurance-4.0%</b>		
60,000	Fidelity National Financial, Inc.	2,269,200
10,500	Fidelity National Title Group Inc., Class A	239,400
120,000	First American Corporation	5,646,000
169,250	Marsh & McLennan Companies, Inc.	5,228,133
		13,382,733
<b>Manufacturing-2.8%</b>		
150,500	Eaton Corporation	9,589,860
<b>Pharmaceuticals-2.7%</b>		
63,000	Bristol-Meyers Squibb Company	1,360,170
90,000	Forest Laboratories, Inc.	3,516,300
200,000	Pfizer, Inc.	4,240,000
		9,116,470
<b>REITS-13.0%</b>		
400,000	First Industrial Realty Trust, Inc.	16,260,000
400,000	Hospitality Properties Trust	16,476,000
1,000,000	HRPT Properties Trust	10,940,000
		43,676,000
<b>Retail-13.9%</b>		
370,000	Wal-Mart Stores, Inc.	17,967,200
590,000	Yum! Brands, Inc.	28,786,100
		46,753,300
<b>RICS-1.1%</b>		
164,200	Flaherty & Crumrine Claymore Preferred Securities Income Fund	3,288,926
29,500	Flaherty & Crumrine Claymore Total Return Fund Inc.	581,150
		3,870,076
<b>Savings &amp; Loan Companies-4.8%</b>		
392,549	Washington Mutual, Inc.	16,169,093



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Total Domestic Common Stocks (cost \$177,267,716)	265,053,090
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*See accompanying Notes to Financial Statements*

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Portfolio of Investments as of November 30, 2005 Boulder Total Return Fund, Inc.

Shares	Description	Value (Note 1)
<b>FOREIGN COMMON STOCKS-5.8%</b>		
<b>Hong Kong-0.8%</b>		
6,156,000	Midland Holdings, Ltd.	\$ 2,837,982
<b>Netherlands-0.9%</b>		
95,117	Heineken NV	2,917,836
<b>New Zealand-1.1%</b>		
4,150,136	Kiwi Income Property Trust, REIT	3,850,886
<b>United Kingdom-3.0%</b>		
75,000	Diageo PLC, Sponsored ADR	4,361,250
705,000	Lloyds TSB Group PLC	5,739,780
		10,101,030
	Total Foreign Common Stocks (cost \$18,444,052)	19,707,734
<b>AUCTION MARKET PREFERRED SECURITIES-2.4%</b>		
120	Cohen & Steers Income Fund, Inc., Series TH28	3,000,000
200	Western Asset/Claymore US Treasury Inflation Protected Securities Fund, Series TH	5,000,000
	Total Auction Market Preferred Securities (cost \$8,000,000)	8,000,000
	Total Long Term Investments (cost \$203,711,768)	292,760,824
<b>Par Value</b>		
<b>SHORT TERM INVESTMENTS-13.3%</b>		
<b>BANK DEPOSIT-0.5%</b>		
\$ 1,687,000	Investors Bank & Trust Money Market Deposit Account, 3.200% due 12/01/05 (cost \$1,687,000)	1,687,000
<b>FOREIGN GOVERNMENT BONDS AND TREASURY BILLS-2.0%</b>		
<b>New Zealand-0.6%</b>		
548,000	New Zealand Government, 6.500% due 2/15/06	384,846
2,444,000	New Zealand T-Bills, 6.246% due 12/21/05	1,711,653
		2,096,499
<b>United Kingdom-1.4%</b>		
2,700,000	UK Gilt Treasury Bond, 8.500% due 12/07/05	4,675,285
	Total Foreign Government Bonds and Treasury Bills (cost \$6,948,170)	6,771,784
<b>U.S. TREASURY BILLS-10.8%</b>		
4,000,000	3.770% due 12/29/05	3,988,271
5,000,000	3.710% due 12/08/05	4,996,393
5,000,000	3.740% due 12/22/05	4,989,092
5,000,000	3.860% due 12/22/05	4,988,742
10,000,000	3.905% due 12/15/05	9,984,814

*See accompanying Notes to Financial Statements*

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**Portfolio of Investments as of November 30, 2005 Boulder Total Return Fund, Inc.**

<b>Par Value</b>	<b>Description</b>	<b>Value (Note 1)</b>
<b>U.S. TREASURY BILLS - continued</b>		
\$ 7,300,000	3.530% due 12/01/05	\$ 7,300,000
	Total U.S. Treasury Bills (cost \$36,247,311)	36,247,312
	Total Short Term Investments (cost \$44,882,481)	44,706,096
Total Investments (cost \$248,594,249)-100.2%		337,466,920
	Other Assets and Liabilities-(0.2%)	(604,066)
	Total Net Assets Available to Common Stock and Preferred Stock-100.0%	336,862,854
	Auction Market Preferred Stock ("AMPs") Redemption Value	(77,500,000)
	Total Net Assets Available to Common Stock	\$ 259,362,854

Non-income producing security.

ADR American Depository Receipt.

REIT Real Estate Investment Trust

RIC Registered Investment Company

*See accompanying Notes to Financial Statements*





**Statement of Assets & Liabilities Boulder Total Return Fund, Inc.**
**November 30, 2005**
**ASSETS:**

Investments, at value (Cost, \$248,594,249) (Note 1)	\$ 337,466,920
Cash	27
Foreign currency (Cost \$83,198)	80,122
Dividends and interest receivable	346,177
Prepaid expenses and other assets	39,502
<b>TOTAL ASSETS</b>	<b>337,932,748</b>

**LIABILITIES:**

Payable for investments purchased	\$ 518,678
Investment co-advisory fees payable (Note 2)	344,538
Administration, co-administration and custodian fees payable (Note 2)	95,665
Legal and Audit fees payable	65,554
Accrued expenses and other payables	45,459
<b>TOTAL LIABILITIES</b>	<b>1,069,894</b>

**FUND TOTAL NET ASSETS** 336,862,854

**TAXABLE AUCTION MARKET PREFERRED STOCK:**

\$0.01 par value, 10,000,000 shares authorized, 775 shares outstanding, liquidation preference of \$100,000 per share (Note 5)	77,500,000
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**TOTAL NET ASSETS (APPLICABLE TO COMMON STOCK SHAREHOLDERS)** \$ 259,362,854

**NET ASSETS** (Applicable to Common Stock Shareholders) consist of:

Undistributed net investment income	\$ 2,096,773
Accumulated net realized gain on investments sold and foreign currency transactions	6,729,781
Unrealized appreciation of investments and foreign currency transactions	88,862,607
Par value of Common Stock (Note 4)	123,387
Paid-in Capital in excess of par value of Common Stock	161,550,306

**TOTAL NET ASSETS**

(Applicable to Common Stock, 12,338,660 shares outstanding) \$ 21.02 \$ 259,362,854

*See accompanying Notes to Financial Statements*

**Statement of Operations Boulder Total Return Fund, Inc.****For the Year Ended November 30, 2005**

<b>INVESTMENT INCOME:</b>	
Dividends (net of foreign withholding taxes of \$34,618)	\$ 7,032,590
Interest	1,059,647
<b>TOTAL INVESTMENT INCOME</b>	<b>8,092,237</b>
<b>EXPENSES:</b>	
Investment co-advisory fees (Note 2)	\$ 4,137,471
Administration, co-administration and custodian fees (Note 2)	860,168
Preferred Stock broker commissions and Auction Agent fees	206,250
Directors fees and expenses (Note 2)	151,000
Legal and Audit fees	123,737
Insurance expenses	65,415
Printing fees	46,824
Other	87,294
<b>OPERATING EXPENSES</b>	<b>5,678,159</b>
<b>NET INVESTMENT INCOME</b>	<b>2,414,078</b>
<b>REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:</b>	
Net realized gain/(loss) on:	
Securities	11,787,355
Foreign currency related transactions	(103,600)
Net change in unrealized appreciation of:	
Securities	2,151,336
Foreign currency related transactions	(43,523)
<b>NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS</b>	<b>13,791,568</b>
<b>LESS: PREFERRED STOCK DISTRIBUTIONS</b>	<b>(2,468,972)</b>
<b>NET INCREASE IN NET ASSETS FROM OPERATIONS</b>	
<b>APPLICABLE TO COMMON SHARES</b>	<b>\$ 13,736,674</b>

*See accompanying Notes to Financial Statements*



## Statement of Changes in Net Assets Boulder Total Return Fund, Inc.

	Year Ended November 30,	
	2005	2004
<b>OPERATIONS:</b>		
Net investment income	\$ 2,414,078	\$ 1,568,890
Net realized gain on investments sold during the year	11,683,755	5,979,381
Change in unrealized appreciation of investments during the year	2,107,813	21,522,484
Net increase in net assets resulting from operations	16,205,646	29,070,755
<b>PREFERRED STOCK DISTRIBUTIONS:</b>		
Dividends paid from net investment income	(613,751)	(1,150,106)
Dividends paid from long term capital gains	(1,855,221)	
<b>Total Distributions: Preferred Stock Dividends</b>	<b>(2,468,972)</b>	<b>(1,150,106)</b>
<b>NET INCREASE IN NET ASSETS RESULTING FROM</b>		
<b>OPERATIONS APPLICABLE TO COMMON</b>		
<b>SHARES</b>	<b>13,736,674</b>	<b>27,920,649</b>
<b>CAPITAL SHARE TRANSACTIONS:</b>		
Value of 188,200 shares repurchased (Note 8)		(2,867,925)
<b>NET INCREASE IN NET ASSETS FOR THE YEAR</b>	<b>13,736,674</b>	<b>25,052,724</b>
<b>NET ASSETS:</b>		
Beginning of year	323,126,180	298,073,456
End of year (including undistributed (distributions in excess of) net investment income of \$2,096,773 and \$(129,596), respectively)	\$ 336,862,854	\$ 323,126,180
<b>AUCTION MARKET PREFERRED STOCK (AMPS)</b>		
<b>REDEMPTION VALUE</b>	<b>(77,500,000)</b>	<b>(77,500,000)</b>
<b>NET ASSETS APPLICABLE TO COMMON</b>		
<b>SHARES</b>	<b>\$ 259,362,854</b>	<b>\$ 245,626,180</b>

See accompanying Notes to Financial Statements



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## Financial Highlights Boulder Total Return Fund, Inc.

*For a Common share outstanding throughout each period*

Contained below is per share operating performance data, total investment returns, ratios to average net assets and other supplemental data. This information has been derived from information provided in the financial statements and market price data for the Fund's shares.

	Year Ended November 30,				
	2005	2004	2003	2002	2001
<b>OPERATING PERFORMANCE:</b>					
Net asset value, beginning of year	\$ 19.91	\$ 17.61	\$ 15.04	\$ 17.36	\$ 14.81
Net investment income	0.15	0.03	0.07	0.49	0.63
Net realized and unrealized gain/(loss) on investments	1.17	2.35	3.78	(2.51)	2.35
Total from investment operations	1.32	2.38	3.85	(2.02)	2.98
<b>DISTRIBUTIONS: PREFERRED STOCK</b>					
Dividends paid from net investment income to AMP*					
Shareholders	(0.05)	(0.09)	(0.01)	(0.16)	(0.40)
Dividends paid from capital to AMP* Shareholders			(0.07)		
Dividends paid from long term capital gains to AMP* Shareholders	(0.15)				
Change in accumulated undeclared dividends on AMP*					
Shareholders	(0.01)	0.01	0.00(c)	0.00(c)	0.02
Net Increase/(Decrease) from operations applicable to common shares	1.11	2.30	3.77	(2.18)	2.60
<b>DISTRIBUTIONS: COMMON SHARES</b>					
Dividends paid from net investment income to Common Shareholders			(0.01)	(0.14)	(0.05)
Dividends paid from capital to Common Shareholders			(0.02)		
Dilutive Impact of Rights Offering			(1.18)		
Accretive Impact of Capital Share Transactions			0.01		
Net Increase/(Decrease) in Common Net Asset Value	1.11	2.30	2.57	(2.32)	2.55
Net asset value, end of year	\$ 21.02	\$ 19.91	\$ 17.61	\$ 15.04	\$ 17.36
Market value, end of year	\$ 17.57	\$ 17.45	\$ 14.59	\$ 12.79	\$ 16.05
Total investment return based on net asset value(a)(c)	5.58%	13.06%	17.37%	(12.62)%	17.68%
Total investment return based on market value(a)(c)	0.69%	19.60%	14.35%	(19.62)%	34.27%
<b>RATIOS TO AVERAGE NET ASSETS AVAILABLE TO COMMON STOCK SHAREHOLDERS:</b>					
Operating expenses	2.24%	2.30%	2.45%	2.42%	2.47%
Net investment income(b)	0.71%	0.66%	(0.08)%	1.85%	1.52%
<b>SUPPLEMENTAL DATA:</b>					
Portfolio turnover rate	32%	25%	9%	38%	16%
Net assets, end of the year (in 000's)	\$ 259,363	\$ 245,626	\$ 220,573	\$ 141,607	\$ 163,493

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Number of shares outstanding at the end of period (in 000's)	12,339	12,339	12,527	9,417	9,417
Ratio of operating expenses to Total Average Net Assets including AMP*	1.72%	1.73%	1.66%	1.65%	1.66%

\* Taxable Auction Market Preferred Stock ("AMP").

(a) Assumes reinvestment of distributions at the market price at reinvestment date.

(b) The net investment income ratios reflect income net of operating expenses and payments and change in undeclared dividends to AMP Shareholders.

(c) Amount represents less than \$0.01 per Common share.

The Rights Offering was fully subscribed at a subscription price of \$12.10 for 3,140,517 shares, which equals \$38,000,255 in gross proceeds. The Rights Offering had \$(1.17) NAV impact and the \$120,460 expenses associated with the Rights Offering had a \$(0.01) NAV impact.

*See accompanying Notes to Financial Statements*

**Financial Highlights (Continued) (Unaudited) Boulder Total Return Fund, Inc.**

The table below sets out information with respect to Taxable Auction Market Preferred Stock currently outstanding(1).

	<b>Total Shares Outstanding</b>	<b>Average Coverage Per Share</b>	<b>Involuntary Liquidating Preference Per Share(2)</b>	<b>Average Market Value Per Share(2)</b>
11/30/05	775	\$ 434,662	\$ 100,000	\$ 100,000
11/30/04	775	416,937	100,000	100,000
11/30/03	775	384,611	100,000	100,000
11/30/02	775	282,719	100,000	100,000
11/30/01	775	311,122	100,000	100,000

(1) See Note 5.

(2) Excludes accumulated undeclared dividends.

*See accompanying Notes to Financial Statements*



**Notes to Financial Statements Boulder Total Return Fund, Inc.**

**1. Significant Accounting Policies**

Boulder Total Return Fund, Inc. (the "Fund") is a diversified, closed-end management investment company organized as a Maryland corporation and is registered with the Securities and Exchange Commission ("SEC") under the Investment Company Act of 1940, as amended (the "1940 Act"). The policies described below are followed consistently by the Fund in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America.

*Portfolio Valuation:* The net asset value of the Fund's Common Stock is determined by the Fund's administrator no less frequently than on the last business day of each week and month. It is determined by dividing the value of the Fund's net assets attributable to common shares by the number of shares of Common Stock outstanding. The value of the Fund's net assets attributable to common shares is deemed to equal the value of the Fund's total assets less (i) the Fund's liabilities and (ii) the aggregate liquidation value of the outstanding Taxable Auction Market Preferred Stock. Securities listed on a national securities exchange are valued on the basis of the last sale on such exchange or the NASDAQ Official Close Price ("NOCP") on the day of valuation. In the absence of sales of listed securities and with respect to securities for which the most recent sale prices are not deemed to represent fair market value and unlisted securities (other than money market instruments), securities are valued at the mean between the closing bid and asked prices when quoted prices for investments are readily available. Investments for which market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Board of Directors of the Fund, including reference to valuations of other securities which are considered comparable in quality, maturity and type. Investments in money market instruments, which mature in 60 days or less at the time of purchase, are valued at amortized cost.

*Securities Transactions and Investment Income:* Securities transactions are recorded as of the trade date. Realized gains and losses from securities sold are recorded on the identified cost basis. Dividend income is recorded on ex-dividend dates. Interest income is recorded using the interest method.

The books and records of the Fund are maintained in US dollars. Foreign currencies, investments and other assets and liabilities denominated in foreign currencies are translated into US dollars at the exchange rate prevailing at the end of the period, and purchases and sales of investment securities, income and expenses transacted in foreign currencies are translated at the exchange rate on the dates of such transactions. Foreign currency gains and losses result from fluctuations in exchange rates between trade date and settlement date on securities transactions, foreign currency transactions and the difference between amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in the exchange rates between the initial purchase trade date and the subsequent sale trade date is included in gains and losses on investment securities sold.

Dividend income is recorded at management's estimate of the income included in distributions received from investments in real estate investment trusts ("REITs") and registered investment companies ("RICs"). Distributions received in excess of this amount are recorded as a reduction of the cost of investments. The actual amounts of income and return of capital are determined by each REIT or RIC only after its fiscal year-end, and may differ from the estimated amounts.

*Repurchase Agreements:* The Fund may engage in repurchase agreement transactions. The Fund's Management reviews and approves periodically the eligibility of the banks and dealers with which the Fund enters into repurchase agreement transactions. The value of the collateral underlying such transactions is at least equal at all times to the total amount of the repurchase obligations, including interest. The Fund maintains possession of the collateral and, in the event of counterparty default, the Fund has the right to use the collateral to offset losses incurred. There is the possibility of loss to the Fund in the event the Fund is delayed or prevented from exercising its rights to dispose of the collateral securities.

*Dividends and Distributions to Shareholders:* Dividends to Common shareholders will be declared in such a manner as to avoid the imposition of the 4% excise tax described in "Federal Income Taxes" below. The shareholders of Taxable Auction Market Preferred Stock are entitled to receive cumulative cash dividends as declared by the Fund's Board of Directors. Distributions to shareholders are recorded on the ex-dividend date. Any net realized short-term capital gains will be distributed to shareholders at least annually. Any net realized long-term capital gains may be distributed to shareholders at least annually or may be retained by the Fund as determined by the Fund's Board of Directors. Capital gains retained by the Fund are subject to tax at the corporate tax rate. Subject to the Fund qualifying as a registered investment company, any taxes paid by the Fund on such net realized long-term gains may be used by the Fund's Shareholders as a credit against their own tax liabilities.

**Notes to Financial Statements Boulder Total Return Fund, Inc.**

*Federal Income Taxes:* The Fund intends to qualify as a registered investment company by complying with the requirements under subchapter M of the Internal Revenue Code of 1986, as amended, (the "Code"), applicable to RICs and intends to distribute substantially all of its taxable net investment income to its shareholders. Therefore, no Federal income tax provision is required.

Income and capital gain distributions are determined and characterized in accordance with income tax regulations, which may differ from generally accepted accounting principles. These differences are primarily due to (1) differing treatments of income and gains on various investment securities held by the Fund, including timing differences, (2) the attribution of expenses against certain components of taxable investment income, and (3) federal regulations requiring proportional allocation of income and gains to all classes of Shareholders. The Code imposes a 4% nondeductible excise tax on the Fund to the extent the Fund does not distribute by the end of any calendar year at least (1) 98% of the sum of its net investment income for that year and its capital gains (both long-term and short-term) for its fiscal year and (2) certain undistributed amounts from previous years.

*Use of Estimates:* The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

**2. Investment Co-Advisory Fees, Directors' Fees, Administration Fee, Co-Administration Fee and Transfer Agent Fee**

Boulder Investment Advisers, L.L.C. ("BIA") and Stewart Investment Advisers ("SIA") serve as the Fund's Co-Investment Advisers ("Advisers"). The Fund pays the Advisers a monthly fee at an annual rate of 1.25% of the value of the Fund's average monthly net assets (including the principal amount of leverage, if any). The equity owners of BIA are Evergreen Atlantic, LLC, a Colorado limited liability company ("EALLC"), and the Lola Brown Trust No. 1B (the "Lola Trust"), each of which is a shareholder of the Fund and considered to be an "affiliated person" of the Fund as that term is defined in the 1940 Act. Stewart West Indies Trading Company, Ltd. is a Barbados international business company doing business as Stewart Investment Advisers. SIA receives a monthly fee equal to 75% of the fees earned by the Advisers, and BIA receives 25% of the fees earned by the Advisers. The equity owner of SIA is the Stewart West Indies Trust, a shareholder of the Fund and considered to be an "affiliated person" of the Fund as that term is defined in the 1940 Act.

Fund Administrative Services, LLC ("FAS"), serves as the Fund's Co-Administrator. Under the Administration Agreement, FAS provides certain administrative and executive management services to the Fund including: providing the Fund's principal offices and executive officers, overseeing and administering all contracted service providers, making recommendations to the Board regarding policies of the Fund, conducting shareholder relations, authorizing expenses and performing other administrative tasks. Under the Administration Agreement, the Fund pays FAS a monthly fee, calculated at an annual rate of 0.20% of the value of the Fund's average monthly net assets up to \$250 million; 0.18% of the Fund's average monthly net assets on the next \$150 million; and, 0.15% on the value of the Fund's average monthly net assets over \$400 million. The equity owners of FAS are EALLC and the Lola Trust, each of which is a shareholder of the Fund and considered to be an "affiliated person" of the Fund as that term is defined in the 1940 Act.

The Fund pays each Director who is not a director, officer or employee of the Advisers or FAS a fee of \$8,000 per annum, plus \$4,000 for each in-person meeting of the Board of Directors and \$500 for each telephone meeting. In addition, the Chairman of the Board and the Chairman of the Audit Committee receive \$1,000 per meeting and each member of the Audit Committee receives \$500 per meeting. The Fund will also reimburse all non-interested Directors for travel and out-of-pocket expenses incurred in connection with such meetings.

Investors Bank & Trust Company ("Investors Bank") serves as the Fund's Co-Administrator and Custodian. As compensation for its services, Investors Bank receives certain asset-based fees and out-of-pocket expenses, which are accrued daily and paid monthly.

PFPC serves as the Fund's Common Stock servicing agent (transfer agent), dividend-paying agent and registrar, and as compensation for PFPC's services, the Fund pays PFPC a monthly fee plus certain out-of-pocket expenses.

Deutsche Bank Trust Company Americas ("Auction Agent"), a wholly owned subsidiary of Deutsche Bank, serves as the Fund's Taxable Auction Market Preferred Stock transfer agent, registrar, dividend disbursing agent and redemption agent.



**Notes to Financial Statements Boulder Total Return Fund, Inc.**

**3. Purchases and Sales of Securities**

Cost of purchases and proceeds from sales of securities for the year ended November 30, 2005 excluding short-term investments, aggregated \$98,075,169 and \$114,060,945, respectively.

On November 30, 2005, based on cost of \$248,594,249, for federal income tax purposes, aggregate gross unrealized appreciation for all securities in which there is an excess of value over tax cost was \$94,592,967 and aggregate gross unrealized depreciation for all securities in which there is an excess of tax cost over value was \$(5,720,296). There are no material differences for cost of investments for book and tax purposes.

**4. Common Stock**

At November 30, 2005, 240,000,000 of \$0.01 par value Common Stock were authorized and of which 12,338,660 shares were outstanding.

**5. Taxable Auction Market Preferred Stock**

The Fund's Articles of Incorporation authorize the issuance of up to 10,000,000 shares of \$0.01 par value preferred stock. On August 15, 2000, the Fund's 775 shares of Money Market Cumulative Preferred Stock<sup>TM</sup> were retired and 775 shares of Taxable Auction Market Preferred Stock were issued. Taxable Auction Market Preferred Stock is senior to the Common Stock and results in the financial leveraging of the Common Stock. Such leveraging tends to magnify both the risks and opportunities to Common Stock Shareholders. Dividends on shares of Taxable Auction Market Preferred Stock are cumulative.

The Fund is required to meet certain asset coverage tests with respect to the Taxable Auction Market Preferred Stock. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, Taxable Auction Market Preferred Stock at a redemption price of \$100,000 per share plus an amount equal to the accumulated and unpaid dividends on such shares in order to meet these requirements. Additionally, failure to meet the foregoing asset requirements could restrict the Fund's ability to pay dividends to Common Stock Shareholders and could lead to sales of portfolio securities at inopportune times.

An auction of the Taxable Auction Market Preferred Stock is generally held every 28 days. Existing shareholders may submit an order to hold, bid or sell such shares at par value on each auction date. Taxable Auction Market Preferred Stock Shareholders may also trade shares in the secondary market between auction dates.

On November 30, 2005, 775 shares of Taxable Auction Market Preferred Stock were outstanding at the annual rate of 4.24%. The dividend rate, as set by the auction process, is generally expected to vary with short-term interest rates. These rates may vary in a manner unrelated to the income received on the Fund's assets, which could have either a beneficial or detrimental impact on net investment income and gains available to Common Stock Shareholders. While the Fund expects to earn a higher return on its assets than the cost associated with the Taxable Auction Market Preferred Stock, including expenses, there can be no assurance that such results will be attained.

**6. Portfolio Investments, Concentration and Investment Quality**

The Fund operates as a "diversified" management investment company, as defined in the 1940 Act. Under this definition, at least 75% of the value of the Fund's total assets must at the time of investment consist of cash and cash items (including receivables), U.S. Government securities, securities of other investment companies, and other securities limited in respect of any one issuer to an amount not greater in value than 5% of the value of the Fund's total assets (at the time of purchase) and to not more than 10% of the voting securities of a single issuer. This limit does not apply, however, to 25% of the Fund's assets, which may be invested in a single issuer. A more concentrated portfolio may cause the Fund's net asset value to be more volatile than it has been historically and thus may subject shareholders to more risk. The Fund may hold a substantial position (up to 25% of its assets) in the common stock of a single issuer. As of November 30, 2005, the Fund held more than 25% of its assets in Berkshire Hathaway, Inc. as a direct result of the market appreciation of the issuer since the time of purchase. Thus, the volatility of the Fund's common stock, and the Fund's net assets value and its performance in general, depends disproportionately more on the performance of this single issuer than that of a more diversified fund.

The Fund intends to concentrate its common stock investments in a few issuers and to take large positions in those issuers. As a result, the Fund is subject to a greater risk of loss than a fund that diversifies its investments more broadly. Taking larger positions is also likely to increase the volatility of the Fund's net asset value reflecting fluctuation in the value of its large holdings. Under normal market conditions, the Fund intends to invest in a portfolio of common stocks. The portion of the Fund's assets invested in each can vary depending on market conditions. The term

"common stocks" includes both stocks

**Notes to Financial Statements Boulder Total Return Fund, Inc.**

acquired primarily for their appreciation potential and stocks acquired for their income potential, such as dividend-paying RICs and REITs. The term "income securities" includes bonds, U.S. Government securities, notes, bills, debentures, preferred stocks, convertible securities, bank debt obligations, repurchase agreements and short-term money market obligations.

**7. Significant Shareholders**

On November 30, 2005, the Lola Trust and other trusts and entities affiliated with Stewart R. Horejsi and the Horejsi family owned 5,382,982 shares of Common Stock of the Fund, representing approximately 43.63% of the total Fund shares. Stewart R. Horejsi is the primary portfolio manager for SIA and is the Fund's primary portfolio manager. He is responsible for the day-to-day strategic management of the Fund.

**8. Share Repurchase Program**

In accordance with Section 23(c) of the 1940 act, the Fund may from time to time repurchase shares of the Fund in the open market at the option of the Board of Directors and upon such terms as the Directors shall determine.

For the year ended November 30, 2005, the Fund did not repurchase any of its own shares. For the year ended November 30, 2004, the Fund repurchased 188,200 shares at an average weighted discount of 16.0% and with a value of \$2,867,925.

**9. Tax Basis Distributions**

Income distributions and capital gain distributions are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. The character of distributions paid on a tax basis during 2005 and 2004 is as follows:

	Year Ended November 2005	Year Ended November 2004
Distributions paid from:		
Ordinary Income	\$ 613,751	\$ 804,651
In Excess of Net Investment Income		215,859
Long-Term Capital Gain	1,855,221	
	\$ 2,468,972	\$ 1,020,510

As of November 30, 2005 the components of distributable earnings on a tax basis were as follows:

Undistributed Ordinary Income	\$ 2,096,773
Undistributed Long-Term Gain	6,729,780
Unrealized Appreciation	88,862,607
	\$ 97,689,160

Net investment income and realized gain and loss for federal income tax purposes differ from that reported in the financial statements because of permanent and temporary book differences. These differences are primarily related to differing treatment of long-term capital gains dividends and excess ordinary distributions received from Real Estate Investment Trusts. Permanent book and tax basis difference of \$426,042, \$7,061 and \$(433,103) were reclassified at November 30, 2005 among undistributed net investment income, accumulated net realized loss on investments and Paid in Capital, respectively, for the Fund.

**BOULDER TOTAL RETURN FUND, INC.**

**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Shareholders  
Boulder Total Return Fund, Inc.

We have audited the accompanying statement of assets and liabilities of the Boulder Total Return Fund, Inc., including the portfolio of investments as of November 30, 2005, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended and financial highlights for each of the years in the five-year period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of November 30, 2005 by correspondence with the custodian and brokers, or by other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Boulder Total Return Fund, Inc. as of November 30, 2005, and the results of its operations, the changes in its net assets, and the financial highlights for each of the years described above in conformity with accounting principles generally accepted in the United States of America.

Boston, Massachusetts  
January 13, 2006

***Additional Information (Unaudited)***

**Portfolio Information**

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q is available (1) on the Fund's website located at <http://www.boulderfunds.net>; (2) on the SEC's website at <http://www.sec.gov>; or (3) for review and copying at the SEC's Public Reference Room ("PRR") in Washington, DC. Information regarding the operation of the PRR may be obtained by calling 1-800-SEC-0330.

**Proxy Information**

The policies and procedures used to determine how to vote proxies relating to portfolio securities held by the Fund are available on the Fund's website located at <http://www.boulderfunds.net>. Information regarding how the Portfolio voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available at <http://www.sec.gov>.

**Senior Officer Code of Ethics**

The Fund files a copy of its code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions (the "Senior Officer Code of Ethics"), with the SEC as an exhibit to its annual report on Form N-CSR. The Fund's Senior Officer Code of Ethics is available on the Fund's website located at <http://www.boulderfunds.net>.

**Privacy Statement**

Pursuant to SEC Regulation S-P (Privacy of Consumer Financial Information), the Directors of the Fund have established the following policy regarding information about the Fund's shareholders. We consider all shareholder data to be private and confidential, and we hold ourselves to the highest standards in its safekeeping and use. The Fund collects nonpublic information (e.g., your name, address, Social Security Number, Fund holdings) about shareholders from transactions in Fund shares. The Fund will not release information about current or former shareholders (except as permitted by law) unless one of the following conditions is met: (i) we receive your prior written consent; (ii) we believe the recipient to be you or your authorized representative; or (iii) we are required by law to release information to the recipient. The Fund has not and will not in the future give or sell information about its current or former shareholders to any company, individual, or group (except as permitted by law). The Fund will only use information about its shareholders as necessary to service or maintain shareholder accounts in the ordinary course of business. Internally, we also restrict access to shareholder personal data to those who have a specific need for the records. We maintain physical, electronic and procedural safeguards that comply with Federal standards to guard your personal data.

**Tax Information**

Of the ordinary income (including short-term capital gain) distributions made by the Fund during the fiscal year ended November 30, 2005, 100% qualify for the dividend received deduction available to shareholders.

The amount of long-term capital gains paid for the fiscal year ended November 30, 2005 were \$1,855,221.

For the fiscal year ended November 30, 2005, 100% of the taxable investment income qualifies for the 15% dividend tax rate.

### Summary of Dividend Reinvestment Plan

Registered holders ("Common Shareholders") of common stock (the "Common Shares") are automatically enrolled (the "Participants") in the Fund's Dividend Reinvestment Plan (the "Plan") whereupon all distributions of income, capital gains or managed distributions ("Distributions") are automatically reinvested in additional Common Shares. Common Shareholders who elect not to participate in the Plan will receive all distributions in cash paid by check in United States dollars mailed directly to the shareholders of record (or if the shares are held in street name or other nominee name, then the nominee) by the custodian, as dividend disbursing agent.

PFPC Inc. (the "Agent") serves as Agent for each Participant in administering the Plan. After the Fund declares a Distribution, if (1) the net asset value per Common Share is equal to or less than the market price per Common Share plus estimated brokerage commissions on the payment date for a Distribution, Participants will be issued Common Shares at the higher of net asset value per Common Share or 95% of the market price per Common Share on the payment date; or if (2) the net asset value per Common Share exceeds the market price plus estimated brokerage commissions on the payment date for a Distribution, the Agent shall apply the amount of such Distribution to purchase Common Shares on the open market and Participants will receive the equivalent in Common Shares valued at the weighted average market price (including brokerage commissions) determined as of the time of the purchase (generally, following the payment date of the Distribution). If, before the Agent has completed its purchases, the market price plus estimated brokerage commissions exceeds the net asset value of the Common Shares as of the payment date, the purchase price paid by the Agent may exceed the net asset value of the Common Shares, resulting in the acquisition of fewer Common Shares than if such Distribution had been paid in Common Shares issued by the Fund. If the Agent is unable to invest the full Distribution amount in purchases in the open market or if the market discount shifts to a market premium during the purchase period than the Agent may cease making purchases in the open market the instant the Agent is notified of a market premium and may invest the uninvested portion of the Distribution in newly issued Common Shares at the net asset value per Common Share at the close of business provided that, if the net asset value is less than or equal to 95% of the then current market price per Common Share, the dollar amount of the Distribution will be divided by 95% of the market price on the payment date. The Fund will not issue Common Shares under the Plan below net asset value.

There is no charge to Participants for reinvesting Distributions, except for certain brokerage commissions, as described below. The Agent's fees for the handling of the reinvestment of Distributions will be paid by the Fund. There will be no brokerage commissions charged with respect to shares issued directly by the Fund. However, each Participant will pay a pro rata share of brokerage commissions incurred with respect to the Agent's open market purchase in connection with the reinvestment of Distributions. The automatic reinvestment of Distributions will not relieve Participants of any federal income tax that may be payable on such Distributions.

The Fund reserves the right to amend or terminate the Plan upon 90 Days' written notice to Common Shareholders of the Fund.

Participants in the Plan may (i) request a certificate, (ii) request to sell their shares, or (iii) withdraw from the Plan upon written notice to the Agent or by telephone in accordance with the specific procedures and will receive certificates for whole Common Shares and cash for fractional Common Shares.

All correspondence concerning the Plan should be directed to the Agent, PFPC Inc., P.O. Box 43027, Providence, RI 02940-3027. To receive a full copy of the Fund's Dividend Reinvestment Plan, please contact the Agent at 1-800-331-1710.

**BOULDER TOTAL RETURN FUND, INC.****Information about Directors and Officers (Unaudited)**

Set forth in the following table is information about the Directors of the Fund, together with their address, age, position with the Fund, term of office, length of time served and principal occupation during the last five years.

<b>Name, Address*, Age</b>	<b>Position, Length of Term Served, and Term of Office</b>	<b>Principal Occupation(s) and Other Directorships held During the Past Five Years</b>	<b>Number of Funds in Fund Complex Overseen by Director</b>
<b>Disinterested Directors</b>			
<b>Alfred G. Aldridge, Jr.</b> <b>Brig. Gen (Retired)</b> <b>Cal. Air National Guard</b> Age: 68	Director of the Fund since 1999. Current term expires at Annual Meeting for 2006.	Executive Vice President, Business Development Specialists (sales and marketing consulting), Phoenix, AZ, since January 2004; Sales Manager, Shamrock Foods Company, 1982-2002; Director, Arizona Sports Foundation, since 1997; Director, Maricopa Youth Assistance Foundation, Phoenix, AZ, since 2004; Director, Boulder Growth & Income Fund, Inc., since 2002.	2
<b>Richard I. Barr</b> Age: 67	Director of the Fund since 1999. Chairman of the Board. Current term expires at Annual Meeting for 2006.	Retired; Manager, Advantage Sales and Marketing, Inc. (food brokerage), 1963-2001; Director, First Financial Fund, Inc., since 2001; Director, Boulder Growth & Income Fund, Inc., since 2002.	3
<b>Dr. Dean L. Jacobson</b> Age: 67	Director of the Fund since 2004. Current term expires at Annual Meeting for 2006.	Founder and President of Forensic Engineering, Inc. (engineering investigations); since 1997 Professor Emeritus at Arizona State University; prior to 1997, Professor of Engineering at Arizona State University; Director, First Financial Fund, Inc., since 2003.	2
<b>Joel W. Looney</b> Age: 43	Director of the Fund since 2001. Current term expires at Annual Meeting for 2006.	Partner, Financial Management Group, LLC (investment adviser), since July 1999; CFO, Bethany College, 1995-1999; Director and Chairman of the Board, Boulder Growth & Income Fund, Inc., since 2002; Director and Chairman of the Board, First Financial Fund, Inc., since 2003.	3
<b>Interested Directors**</b>			
<b>Susan L. Ciciora</b> Age: 41	Director of the Fund since 2001. Current term expires at Annual Meeting for 2006.	Trustee of the Lola Brown Trust No. 1B and the Ernest Horejsi Trust No. 1B; Director, Boulder Growth & Income Fund, Inc., January 2002 to October 2004; Director, First Financial Fund, Inc., since 2003.	1

\* Unless otherwise specified, the Directors' respective addresses are c/o Boulder Total Return Fund, Inc., 1680 38th Street, Suite 800, Boulder, Colorado 80301.

\*\* Ms. Ciciora is an "interested person" as a result of the extent of her beneficial ownership of Fund shares and by virtue of her indirect beneficial ownership of BIA and FAS.

**BOULDER TOTAL RETURN FUND, INC.****Information about Directors and Officers (Unaudited) (Continued)**

The names of the executive officers of the Fund are listed in the table below. Each officer was elected to office by the Board at a meeting held on April 26, 2005. This table also shows certain additional information. Each officer will hold such office until a successor has been elected by the Board of Directors of the Fund.

<b>Name, Address, Age</b>	<b>Position, Length of Term Served, and Term of Office</b>	<b>Principal Occupation(s) and Other Directorships held During the Past Five Years</b>
<b>Carl D. Johns</b> 1680 38th Street, Suite 800 Boulder, CO 80301 Age: 42	Chief Financial Officer, Chief Accounting Officer, Vice President and Treasurer since 1999. Appointed annually.	Vice President and Treasurer of BIA and Assistant Manager of FAS, since 1999; Chief Financial Officer, Chief Accounting Officer, Vice President and Treasurer, Boulder Growth & Income Fund, Inc., since 2002 and First Financial Fund, Inc., since 2003.
<b>Stephanie J. Kelley</b> 1680 38th Street, Suite 800 Boulder, CO 80301 Age: 49	Secretary since 2000. Appointed annually.	Secretary, Boulder Growth & Income Fund, Inc., since January 2002 and First Financial Fund Inc., since August 2003; employee, FAS, since March 1999; Assistant Secretary and Assistant Treasurer of various other entities affiliated with the Horejsi family.
<b>Stephen C. Miller</b> 1680 38th Street Suite 800 Boulder, CO 80301 Age: 53	President of the Fund. Appointed annually.	President of and General Counsel for BIA, since 1999; Manager, FAS, since 1999; Vice President of SIA, since 1998; President of Boulder Growth & Income Fund, Inc., since 2002; President First Financial Fund, Inc. since 2003; President and General Counsel, Horejsi, Inc., (liquidated in 1999); General, Counsel, Brown Welding Supply, LLC (sold in 1999); Of Counsel, Krassa & Miller, LLC, since 1991.
<b>Nicole L. Murphey</b> 1680 38th Street, Suite 800 Boulder, CO 80301 Age: 28	Assistant Secretary since 2000. Appointed annually.	Assistant Secretary, Boulder Growth & Income Fund, Inc., since 2002 and First Financial Fund, Inc., since 2003; employee, FAS, since 1999.

The Fund's President has certified to the New York Stock Exchange that, as of November 30, 2005, he was not aware of any violation by the Fund of applicable NYSE corporate governance listing standards. The Fund's reports to the Securities and Exchange Commission on Form N-CSR contain certifications by the Fund's principal executive officer and principal financial officer that relate to the Fund's disclosure in such reports and that are required by rule 30a-2(a) under the Investment Company Act.





**Boulder Total Return Fund, Inc.**

P.O. Box 43027  
Providence, RI 02940-3027

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**Boulder  
Total Return  
Fund, Inc.**

(NYSE: BTF)

**Annual Report**

**November 30, 2005**

**Directors**

Brig. Gen (Ret.) Alfred G. Aldridge Jr.  
Richard I. Barr  
Susan L. Ciciora  
Dr. Dean Jacobson  
Joel W. Looney

**Officers**

Stephen C. Miller  
President

Carl D. Johns  
Vice President and Treasurer

Stephanie J. Kelley  
Secretary

Nicole L. Murphey  
Assistant Secretary

**[www.boulderfunds.net](http://www.boulderfunds.net)**

If you have questions regarding shares you held in a Brokerage Account contact your broker, or, if you have physical possession of your shares in certificate form, contact the Fund's Transfer Agent & Shareholder Servicing Agent PFPC Inc., at:

## Edgar Filing: BOULDER TOTAL RETURN FUND INC - Form N-CSR

P.O. Box 43027  
Providence, RI 02940-3027  
1-800-331-1710

This report is sent to shareholders of Boulder Total Return Fund, Inc. for their information. It is not a prospectus, circular or representation intended for use in the purchase or sale of shares of the Fund or of any securities mentioned in this report.

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**Item 2. Code of Ethics.**

As of November 30, 2005, the Registrant has adopted a code of ethics that applies to the Registrant's Principal Executive Officer and Principal Financial Officer. For the year ended November 30, 2005, there were no amendments to a provision of its code of ethics, nor were there any waivers granted from a provision of the code of ethics. A copy of the Registrant's code of ethics is filed with this N-CSR under Item 12(a).

**Item 3. Audit Committee Financial Expert.**

As of the end of the period covered by the report, the registrant's board of directors has determined that Joel W. Looney is qualified to serve as an audit committee financial expert serving on its audit committee and that he is independent, as defined by the Securities and Exchange Commission.

**Item 4. Principal Accountant Fees and Services.**

(a) Audit Fees The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the Fund's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements were \$23,600 and \$25,250 ended November 30, 2004 and November 30, 2005, respectively.

(b) Audit-Related Fees There were no fees billed for the fiscal years ended November 30, 2004 and November 30, 2005 for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the Funds' financial statements and are not reported under (a) of this Item.

(c) Tax Fees The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for the review of the Fund's tax returns and excise tax calculations were \$5,850 and \$6,000 for the fiscal years ended November 30, 2004 and November 30, 2005, respectively.

(d) All Other Fees The aggregate fees billed for the last two fiscal years for products and services provided by the principal accountant, other than the services reported in (a) through (c) of this Item were \$16,000 and \$16,800 for the fiscal years ended November 30, 2004 and November 30, 2005, respectively. These fees pertained to quarterly compliance testing related to the Fund's Auction Market Preferred Shares.

(e) (1) The Registrant's audit committee pre-approves all audit and non-audit services to be performed by the Registrant's accountant before the accountant is engaged by the Registrant to perform such services.

(2) There were no services described in (b) through (d) above (including services required to be approved by the audit committee pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X) that were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

(f) None of the hours expended on the principal accountant's engagement to audit the Funds' financial statements for the fiscal year ended November 30, 2005 were attributable to work performed by persons other than the principal accountant's full-time, permanent employees.

(g) Not applicable.

(h) Not applicable.

**Item 5. Audit Committee of Listed Registrants.**





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As of the end of the period covered by this report, the following registrants have been designated as the Fund's separately designated standing audit committee: Alfred G. Aldridge, Jr., Richard I. Barr, Joel W. Looney, and Dr. Dean L. Jacobson.

### Item 6. Schedule of Investments.



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The Funds' full schedules of investments are included as part of the report to shareholders filed under Item 1 of this Form.

### Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

Boulder Total Return Fund, Inc. and Boulder Growth & Income Fund, Inc.

#### Proxy Voting Procedures

The Board of Directors of the Boulder Total Return Fund, Inc. and Boulder Growth & Income Fund, Inc. (collectively, the **Funds** ) hereby adopt the following policies and procedures with respect to voting proxies relating to portfolio securities held by the Funds (collectively, the **Voting Policies** ).

1. **Policy.** It is the policy of each of the Boards of Directors of the Funds (the **Board** ) to delegate the responsibility for voting proxies relating to portfolio securities held by the Funds to Boulder Investment Advisers, L.L.C. (the **Adviser** ) as a part of the Adviser's general management of the Funds, subject to the Board's continuing oversight.(1) The voting of proxies is an integral part of the investment management services that the Adviser provides pursuant to the advisory contract. Proxy voting policies and procedures are required by Rule 206 (4)-6 of the Investment Advisers Act of 1940, and will be effective August 6, 2003.

2. **Fiduciary Duty.** The right to vote a proxy with respect to portfolio securities held by the Funds is a significant asset of the Fund. The Adviser, to which authority to vote on behalf of the Funds is delegated, exercises this voting responsibility as a fiduciary, and votes proxies in a manner consistent with the best interest of the Funds and its shareholders, and with the goal of maximizing the value of the Funds and the shareholders' investments.

3. **Procedures.** The following are the procedures adopted by the Board for the administration of this policy:

a. **Review of Adviser Proxy Voting Procedures.** The Adviser, with advice and counsel from the Board, shall present to the Board its policies, procedures and other guideline for voting proxies at least annually (the **Voting Guidelines** ), and must notify the Board promptly of any material changes. In accordance with the foregoing, the Adviser has developed the Voting Guidelines which are attached hereto as **Exhibit A**.

b. **Voting Record Reporting.** No less than annually, the Adviser shall report to the Board a record of each proxy voted with respect to portfolio securities of the Funds during the respective year. With respect to those proxies the Adviser has identified as involving a conflict of interest(2), the Adviser shall submit a separate report

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(1) This policy is adopted for the purpose of the disclosure requirements adopted by the Securities and Exchange Commission, Releases No. 33-8188, 34-47304, IC-25922.

(2) As it is used in this document, the term "conflict of interest" refers to a situation in which the Adviser or affiliated persons of the adviser have a financial interest in a matter presented by a proxy other than the obligation it incurs as investment adviser to the Funds which compromises the Adviser's independence of judgment and action with respect to the voting of the proxy.

indicating the nature of the conflict of interest and how that conflict was resolved with respect to the voting of the proxy.

4. **Revocation.** The delegation by the Board of the authority to vote proxies relating to portfolio securities of the Funds is entirely voluntary and may be revoked by the Board, in whole or in part, at any time. This disclosure shall be included in any registration statement filed on behalf of the Funds after July 1, 2003.

5. **Annual Filing.** The Fund shall file an annual report of each proxy voted with respect to portfolio securities of the Funds during the twelve-month period ended June 30 on Form N-PX not later than August 31 of each year. The Fund must file the complete proxy voting record on an annual basis on this form. Form N-PX must contain complete proxy voting records for the 12 month period stated above, and must be signed on behalf of the Fund by the principal executive officers. This form must provide the following information:

1. Name of the issuer of the portfolio security
2. Exchange ticker symbol
3. CUSIP #
4. Shareholder meeting date
5. Brief indication of the matter voted on
6. Whether matter was proposed by the issuer or by a security holder
7. Whether the Fund cast its vote on the matter
8. How the Fund cast its vote
9. Whether the Fund cast its vote for or against management

6. **Disclosures.**

a. The Fund shall include in any future registration statement:

i. A description of the Voting Policies and the Voting Guidelines(3); and

ii. A statement disclosing that information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, upon request, by calling the Funds toll-free telephone number; or through a specified Internet address; or both; and on the SEC website.(4)

b. The Fund shall include in its Annual and Semi-Annual Reports to shareholders:

i. A statement disclosing that the Voting Policies and Voting Guidelines are available without charge, upon request, by calling the Funds toll-free telephone number; or through a specified Internet address; and on the SEC website.(5)

ii. A statement disclosing that information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, upon request, by calling the Fund s toll-free telephone number; or through a specified Internet address; or both; and on the SEC website.(6)

7. ***Recordkeeping Requirements.*** SEC Rule 204-2, as amended, requires advisers to retain:

1. Proxy voting policies and procedures
2. Proxy statements received regarding client securities
3. Records of votes cast on behalf of clients
4. Records of written client requests
5. Any documents prepared by the adviser material to making a decision how to vote, or that memorialized the basis for the decision.

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(3) This disclosure shall be included in the registration statement next filed on behalf of the Funds after July 1, 2003.

(4) This disclosure shall be included in the registration statement next filed on behalf of the Funds after August 31, 2004.

(5) This disclosure shall be included in the report next filed on behalf of the Funds after July 1, 2003.

(6) This disclosure shall be included in the report next filed on behalf of the Funds after August 31, 2004.

8. ***Review of Policy.*** At least annually, the Board shall review this Policy to determine its sufficiency and shall make and approve any changes that it deems necessary from time to time.

**EXHIBIT A VOTING GUIDELINES**

The Funds' and Advisors' proxy voting principles are summarized below, with specific examples of voting decisions for the types of proposals that are most frequently presented:

Category	Guideline	Voting
<b>BOARD OF DIRECTOR ISSUES</b>	The board of directors' primary role is to protect the interests of all shareholders. Key functions of the board are to approve the direction of corporate strategy, ensure succession of management and evaluate performance of the corporation as well as senior management. The board is accountable to shareholders, and must operate independently from management.	
Routine Elections	Generally we will vote with management's recommendation	Generally FOR
Board Classification	Generally we are opposed to entrenchment mechanisms and will vote against proposals to classify a board. We prefer annual election of directors in order that shareholders have more power to replace directors deemed to not be acting in the shareholders' interest.	Generally AGAINST
Independence of Directors	The majority of board members should be independent from the corporation, management or a majority shareholder. An independent member should not be a former employee of the company or a representative of a key supplier to or a key client of the company.	We will generally support boards that have a majority of board members classified as independent.
Director Indemnification	Mandatory indemnification of directors and officers is necessary to attract quality candidates.	Generally FOR
Director Attendance	Board membership requires a significant amount of time in order for responsibilities to be executed, and attendance at Board and Committee meetings is noted.	We look for attendance records to be in the 75% participation range.
Term Limits	We are more concerned with the performance of directors and not with the term limits	Generally AGAINST but will look at on a case-by-case basis.
Separation of Chair and CEO	In most cases it is advisable for there to be a separation between the CEO and the Chair to enhance separation of management interests and shareholders.	In most cases we would support a recommendation to separate the Chair from the CEO. Lead directors are considered acceptable, and in this situation an independent Corporate Governance committee must also be in place.
Committees of the Board	Audit, Compensation, Governance and Nominating committees are the most significant committees of the board.	We support the establishment of these committees, however independent director membership on these committees is the primary concern. Two-thirds independent membership is satisfactory, provided that the chair of each committee is independent.
Audit Process	The members of an audit committee should be independent directors, and the auditor must also be independent. The auditor should report directly to the Audit committee and not to management.	We will generally support the choice of auditors recommended by the Audit Committee. In the event that



Category	Guideline	Voting
<b>VOTING AND ENTRENCHMENT ISSUES</b>		the auditor supplies other services for a fee other than the audit, each situation will be reviewed on a case-by-case basis.
Shareholder Right to Call Special Meeting		Generally FOR
Shareholder Right to Act by Written Consent		Generally FOR
Cumulative Voting	Our experience has been that cumulative voting is generally proposed by large shareholders who may wish to exert undue influence on the board.	Generally AGAINST, although we may consider if the board has been unresponsive to shareholders.
Confidentiality of Shareholder Voting	Like any other electoral system, the voting at annual and special meetings should be confidential and free from any potential coercion and/or impropriety.	We will support any proposals to introduce or maintain confidential voting.
Size of Board of Directors	Generally boards should be comprised of a minimum of seven to a maximum of fifteen. However the complexity of the company has an impact on required board size.	The independence of the board is a greater concern than the number of members. However should a change in board size be proposed as potentially an anti-takeover measure we would vote against.
<b>COMPENSATION ISSUES</b>		
Director Compensation	Directors should be compensated fairly for the time and expertise they devote on behalf of shareholders. We favor directors personally owning shares in the corporation, and that they receive a substantial portion of their remuneration in the form of shares.	We support recommendations where a portion of the remuneration is to be in the form of common stock. We do not support options for directors, and do not support retirement bonuses or benefits for directors.
<b>MANAGEMENT COMPENSATION</b>	Compensation plans for executives should be designed to attract and retain the right people with exceptional skills to manage the company successfully long-term. These plans should be competitive within the company's respective industry without being excessive and should attempt to align the executive's interests with the long-term interest of shareholders.	Executive compensation will be considered on a case-by-case basis.
Stock Options and Incentive Compensation Plans	Compensation plans should be designed to reward good performance of executives. They should also encourage management to own stock so as to align their financial interests with those of the shareholders. It is important that these plans are disclosed to the shareholders in detail for their approval.	We will not support plans with options priced below current market value or the lowering of the exercise price on any previously granted options.

Category	Guideline	Voting
		We will not support any plan amendment that is not capped or that results in anything but negligible dilution. We believe that shareholders should have a say in all aspects of option plans and therefore will not support omnibus stock option plans or plans where the Board is given discretion to set the terms. Plans will be considered on a case-by-case basis.
Adopt/Amend Employee Stock Purchase Plans		Considered on a case-by-case basis.
Golden Parachutes	Although we believe that golden parachutes may be a good way to attract, retain and encourage objectivity of qualified executives by providing financial security in the case of a change in the structure or control of a company, golden parachutes can be excessive.	Generally opposed but will consider on a case-by-case basis.
Require Shareholder Approval of Golden Parachutes		Generally FOR
<b>TAKEOVER PROTECTIONS</b>	Some companies adopt shareholder rights plans that incorporate anti-takeover measures, which may include: poison pills, crown jewel defense, payment of greenmail, going private transactions, leveraged buyouts, lock-up arrangements, Fair price amendments, Re-incorporation. Rights plans should be designed to ensure that all shareholders are treated equally in the event there is a change in control of a company. These plans should also provide the Board with sufficient time to ensure that the appropriate course of action is chosen to ensure shareholder interests have been protected. However, many shareholder rights plans can be used to prevent bids that might in fact be in the shareholders best interests. Depending on their contents, these plans may also adversely influence current share prices and long-term shareholder value.	We will review each situation on a case-by-case basis. We will generally support proposals that protect the rights and share value of shareholders.
Dual Class Shares	It is not unusual for certain classes of shares to have more than one vote per share. This is referred to as a dual class share structure and can result in a minority of shareholders having the ability to make decisions that may not be in the best interests of the majority of shareholders.	Generally AGAINST.
Super-Majority Voting Provisions	Super-majority voting (e.g., 67% of votes cast or a majority of outstanding shares), although fairly common, can, from a practical point of view, be difficult to obtain, and essentially are a bar from effective challenges to entrenched management, regardless of performance or popularity. A very high requirement can be unwieldy and therefore not in the best interest of the majority of shareholders.	Generally AGAINST. We will generally oppose proposals for voting requirements that are greater than a majority of votes cast. That said, we will review supermajority proposals on a case-by-case basis.

Category	Guideline	Voting
Issuance of Authorized Shares		Generally FOR
Issuance of Unlimited or Additional Shares	Corporations may increase their authorized number of shares in order to implement a stock split, to support an acquisition or restructuring plan, to use in a stock option plan or to implement an anti-takeover plan. Shareholders should approve of the specific business need for the increase in the number of shares and should understand that the issuance of new shares can have a significant effect on the value of existing shares.	Generally AGAINST. We will generally oppose proposals to increase the number of authorized shares to unlimited , but will consider any proposals to increase the number of authorized shares on a case-by-case basis for a valid business purpose.
Shareholder Proposals	Shareholders should have the opportunity to raise their concerns or issues to company management, the board and other shareholders. As long as these proposals deal with appropriate issues and are not for the purposes of airing personal grievances or to obtain publicity, they should be included on the proxy ballot for consideration.	Shareholder proposals will be reviewed on a case-by-case basis.
<b>OTHER MATTERS</b>		
Stock Repurchase Plans		Generally FOR
Stock Splits		Generally FOR
Require Shareholder Approval to issue Preferred Stock		Generally FOR
Corporate Loans to Employees	Corporate loans, or the guaranteeing of loans, to enable employees to purchase company stock or options should be avoided. These types of loans can be risky if the company stock declines or the employee is terminated.	Generally AGAINST.
Blank-cheque Preferred Shares	The authorization of blank-cheque preferred shares gives the board of directors complete discretion to fix voting, dividend, conversion and other rights and privileges. Once these shares have been authorized, the shareholders have no authority to determine how or when they will be allocated. There may be valid business reasons for the issuance of these shares but the potential for abuse outweighs the benefits.	Generally AGAINST.

## Item 8. Portfolio Managers of Closed-End Management Investment Companies.



**Not yet applicable.**



**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.**





Not applicable.

**Item 10. Submission of Matters to a Vote of Security Holders.**

There have been no material changes to the procedures by which the shareholders may recommend nominees to the Registrant's Board of Directors, where those changes were implemented after the Registrant last provided disclosure

in response to the requirements of Item 7(d)(2)(ii)(G) of Schedule 14A (17 CFR 240.14a-101), or this Item.

**Item 11. Controls and Procedures.**

(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 12. Exhibits.**

(a)(1) Code of ethics, or any amendment thereto, that is the subject of disclosure required by Item 2 is attached hereto.

(a)(2) Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.

(a)(3) Not applicable.

(b) Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto.

**SIGNATURES**

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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) BOULDER TOTAL RETURN FUND INC.

By (Signature and Title) /s/ Stephen C. Miller  
Stephen C. Miller, President  
(Principal Executive Officer)

Date 2-6-06

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

By (Signature and Title) /s/ Stephen C. Miller  
Stephen C. Miller, President  
(Principal Executive Officer)

Date 2-6-06

By (Signature and Title) /s/ Carl D. Johns  
Carl D. Johns, Vice President and Treasurer  
(Principal Financial Officer)

Date 2-6-06