

BOULDER TOTAL RETURN FUND INC

Form N-Q

October 24, 2007

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

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-07390

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

2344 Spruce Street, Suite A

Boulder, CO  
(Address of principal executive offices)

80302  
(Zip code)

Stephen C. Miller, Esq.  
2344 Spruce Street, Suite A

Boulder, CO 80302  
(Name and address of agent for service)

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

Date of fiscal year end: November 30, 2007

Date of reporting period: August 31, 2007

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**Item 1. Schedule of Investments.** The schedule of investments for the period ended August 31, 2007 is filed herewith.

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Portfolio of Investments as of August 31, 2007  
(Unaudited)

Boulder Total Return Fund, Inc.

Shares	Description	Value (Note 1)
<b>LONG TERM INVESTMENTS 91.9%</b>		
<b>DOMESTIC COMMON STOCKS 77.2%</b>		
<b>Beverages 3.0%</b>		
220,000	Anheuser-Busch Companies, Inc.	10,868,000
<b>Buildings - Residential/Commercial 0.5%</b>		
18,700	Lennar Corp., Class A	528,649
15,000	MDC Holdings, Inc.	667,350
25,000	Pulte Homes, Inc.	416,000
31,000	Standard Pacific Corp.	310,930
		1,922,929
<b>Construction Machinery 1.2%</b>		
60,000	Caterpillar, Inc.	4,546,200
<b>Diversified 32.1%</b>		
690	Berkshire Hathaway, Inc., Class A	81,689,100
9,200	Berkshire Hathaway, Inc., Class B	35,788,000
		117,477,100
<b>Diversified Financial Services 2.4%</b>		
100,000	Legg Mason, Inc.	8,682,000
<b>Financial Services 3.7%</b>		
293,360	Citigroup, Inc.	13,752,717
<b>Health Care Products &amp; Services 0.9%</b>		
52,000	Johnson & Johnson	3,213,080
<b>Insurance 3.3%</b>		
53,000	American International Group, Inc.	3,498,000
73,363	Fidelity National Financial, Inc.	1,334,473
120,000	First American Corporation	5,019,600
83,000	Marsh & McLennan Companies, Inc.	2,211,950
		12,064,023
<b>Manufacturing 3.9%</b>		
150,500	Eaton Corporation	14,180,110
<b>Pharmaceuticals 0.7%</b>		
100,000	Pfizer, Inc.	2,484,000
<b>REITS 0.8%</b>		
75,000	Redwood Trust, Inc.	2,799,750
<b>Retail 16.0%</b>		
100,000	The Home Depot, Inc.	3,831,000
370,000	Wal-Mart Stores, Inc.	16,143,100
1,180,000	Yum! Brands, Inc.	38,609,600
		58,583,700



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<b>RICS 2.7%</b>			
482,700	Flaherty & Crumrine Claymore Preferred Securities Income Fund, Inc.		8,973,393
52,500	Flaherty & Crumrine Claymore Total Return Fund, Inc.		981,225
			9,954,618
<b>Savings &amp; Loan Companies 3.9%</b>			
392,549	Washington Mutual, Inc.		14,414,399
<b>Transport - Rail 1.3%</b>			
60,000	Burlington Northern Santa Fe Corporation		4,869,000
<b>Transport - Trucking 0.8%</b>			
90,000	YRC Worldwide, Inc.		2,772,900
	Total Domestic Common Stocks (cost \$169,987,001)		282,584,526
<b>FOREIGN COMMON STOCKS 11.5%</b>			
<b>Canada 0.4%</b>			
123,000	Canfor Pulp Income Fund		1,548,764
<b>Hong Kong 3.5%</b>			
500,000	Henderson Investment, Ltd., REIT		809,312
515,000	Cheung Kong Holdings, Ltd.		7,576,298
6,156,000	Midland Holdings, Ltd.		4,342,579
			12,728,189
<b>Japan 1.0%</b>			
772	New City Residence Investment Corporation, REIT		3,789,570
<b>Netherlands 1.6%</b>			
95,117	Heineken NV		6,026,980
<b>New Zealand 1.1%</b>			
4,150,136	Kiwi Income Property Trust, REIT		4,222,317
<b>Turkey 0.0% *</b>			
45,000	Dogus Ge Gayrimenkul Yatirim Ortakligi A.S., REIT		73,533
<b>United Kingdom 3.9%</b>			
75,000	Diageo PLC, Sponsored ADR		6,406,500
705,000	Lloyds TSB Group PLC		7,750,010
			14,156,510
	Total Foreign Common Stocks (cost \$31,112,241)		42,545,863

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<b>AUCTION MARKET PREFERRED SECURITIES 3.2%</b>			
160	BlackRock Preferred Income Strategies Fund, Inc., Series TH28		4,000,000
220	Clough Global Opportunities Fund, Series TH28		5,500,000
84	Cohen & Steers REIT & Utility Income Fund, Inc., Series T28		2,100,000
Total Auction Market Preferred Securities (cost \$11,600,000)			11,600,000
Total Long Term Investments (cost \$212,699,242)			336,730,389

**SHORT TERM INVESTMENTS 8.3%**

Par Value	Description	Value (Note 1)
<b>BANK DEPOSIT 3.7%</b>		
13,564,000	State Street Bank & Trust Money Market Deposit Account, 4.200% due 9/04/07 (cost \$13,564,000)	13,564,000

Par Value	Description	Value (Note 1)
<b>FOREIGN GOVERNMENT BONDS 2.1%</b>		
<b>New Zealand 0.6%</b>		
3,300,000	New Zealand Treasury Bill, due 10/03/07 (a)	2,301,784
<b>United Kingdom 1.5%</b>		
2,741,000	United Kingdom Treasury Bill, 7.250% due 12/07/07	5,549,102
Total Foreign Government Bonds (cost \$8,181,248)		7,850,886

Par Value	Description	Value (Note 1)
<b>U.S. TREASURY BILLS 2.5%</b>		
9,000,000	4.310% due 10/04/07	8,964,442
Total Short Term Investments (cost \$30,709,691)		30,379,328
<b>Total Investments 100.2% (cost \$243,408,933)</b>		<b>\$ 367,109,717</b>
Other Assets and Liabilities (0.2%)		(637,619)
Total Net Assets Available to Common Stock and Preferred Stock 100%		366,472,098
Auction Market Preferred Stock (AMPs) Redemption Value		(77,500,000)
Total Net Assets Available to Common Stock		<b>288,972,098</b>

Non-income producing security.

(a) Zero coupon bond.  
\* Amount represents less than 0.1% of Net Assets  
ADR - American Depository Receipt  
REIT - Real Estate Investment Trust

See accompanying notes to financial statements.

**Boulder Total Return Fund, Inc.**

**August 31, 2007 (Unaudited)**

**Note 1. Valuation and Investment Practices**

*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 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, or based on a matrix system which utilizes information (such as credit ratings, yields and maturities) from independent sources. 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 actual amounts of dividend income and return of capital received from investments in real estate investment trusts ( REITS ) and registered investment companies ( RICS ) at calendar year-end are determined after the end of the fiscal year. The Fund therefore estimates these amounts for accounting purposes until the actual characterization of REIT and RIC distributions is known. Distributions received in excess of the estimate are recorded as a reduction of the cost of investments.

*Foreign Currency Translation:* 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 in 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 exchange rates between the initial purchase trade date and the subsequent sale trade date is included in gains and losses on investment securities sold.



*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.

**Note 2. Unrealized Appreciation/ (Depreciation)**

On August 31, 2007, the net unrealized appreciation on investments based on cost of \$243,398,069 for federal income tax purposes was \$123,711,648 consisting of \$128,734,890 aggregate gross unrealized appreciation for all securities in which there is an excess of value over tax cost and \$(5,023,242) aggregate gross unrealized depreciation for all securities in which there is an excess of tax cost over value.

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**Item 2. Controls and Procedures.**

(a) The Registrant's Principal Executive Officer and Principal Financial Officer concluded that the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) were effective as of a date within 90 days prior to the filing date of this report (the Evaluation Date), based on their evaluation of the effectiveness of the Registrant's disclosure controls and procedures as of the Evaluation Date.

(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 last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

**Item 3. Exhibits.**

Certifications of the Principal Executive Officer and Principal Financial Officer of the Registrant as required by Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) are attached hereto as Exhibit 99CERT.

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**SIGNATURES**

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.

BOULDER TOTAL RETURN FUND, INC.

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

Date                      10/18/07

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 dates indicated.

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

Date                      10/18/07

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

Date                      10/18/07

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