

BOULDER GROWTH & INCOME FUND
Form N-CSR
February 08, 2005

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 811-02328

Boulder Growth & Income Fund Inc.
(Exact name of registrant as specified in charter)

Fund Administrative Services
1680 38th Street, Suite 800
Boulder, CO
(Address of principal executive offices)

80301
(Zip code)

Fund Administrative Services
1680 38th 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, 2004
end:

Date of reporting period: November 30, 2004

Item 1. Reports to Stockholders.

The Report to Shareholders is attached herewith.

Boulder Growth & Income Fund, Inc.

Annual Report

November 30, 2004

Dear Shareholder:

The Boulder Growth & Income Fund ("BIF") had a total return on net asset value ("NAV") of 14.4% for the fiscal year ending 11/30/2004. We beat the S&P 500 Index, which had a return of 12.9% for the same period, by 1.5%. The contributors to our performance included nearly all the Real Estate Investment Trusts ("REITs") the Fund owned. REITs in general have done very well, and the Fund had 32% of its assets in this sector. Some of the industrial stocks that did well this year, to name a few, include Torchmark, up 24%; Pepsi Bottling, up 21%; and, Sara Lee, up 14%. Other stocks the Fund sold during the year, but which performed well include Providian Financial, USG Corporation, and Maytag. Two of the pharmaceutical drug companies the Fund owns, Merck and Pfizer, were down in price 31% and 17%, respectively.

Total Returns
For the Periods ending November 30, 2004

Most Recent	BIF NAV with Dilution#	BIF NAV without Dilution	S&P 500 Index	Dow Jones Industrial Average	NASDAQ Composite
3 months	4.1%	4.1%	4.1%	4.3%	6.3%
6 months	6.3%	6.3%	6.8%	3.1%	14.3%
1 year	14.4%	14.4%	12.9%	8.9%	7.5%
Since 01/2002*	1.4%	5.4%	3.1%	4.0%	3.4%

The total returns for BIF include the affect of dilution from the 12/2002 rights offering, affecting only the 'Since 1/02' returns.

* Annualized.

The S&P Index is only a yardstick by which to measure our performance. Our primary objectives are: 1) Don't lose what we already have, and 2) invest in solid, well run companies with proven track records that can provide satisfactory returns over the years. We don't worry too much what the S&P does.

Number 2 is self-explanatory. But Number 1, though it sounds simple, needs a bit of explanation. Don't lose what you have. As advisors, our investment approach is very value oriented. When we buy a stock, although we probably won't buy at the bottom, we will buy at a price we deem reasonable from a value standpoint. Easy enough, but let's say this "value" stock we bought goes up significantly over a period of a few years. If we choose to hold it at this appreciated price, it's because the appreciated price is merited by the performance of the company over those years. The company has become more valuable. So "Don't lose what you already have" not only refers to assets in a general sense, it can also refer to "don't sell a good company that you already own." If on the other hand, the stock had appreciated the same amount while the underlying performance of the company was only mediocre, then we would have to take a hard look at our tenet of "not losing what we have" and determine whether or not to sell. Can we accomplish this all of the time? Probably not, but we will try. More importantly, accomplishing tenet number 1 is foremost in our minds-rather than whether or not we beat the S&P. Tenet number 1 is likely considered by most money managers, but it may not be at the top of their list.

MANAGED DISTRIBUTION

We put our application in for exemptive relief to the SEC back in August, 2004 in order to be able to pay a monthly managed distribution. We had expected to know something well before year end, but as of today, we still have not received the order from the SEC. While we can't speculate, based on what we know, we believe we will get it. As soon as we do hear, we will put out a press release and post it on our

website. Once approved, we would expect to begin making the monthly managed distributions shortly thereafter. The distributions will consist of ordinary income and capital gains, if any, and a return of capital for distributions that exceed income and gains. We still intend to distribute 10% of the NAV annualized, on a monthly basis.

LEVERAGE AND CASH

A year ago the Fed Funds rate was 1.0%, off of which the Fund's leverage pays interest on its borrowings. The Fed has been ratcheting short-term rates higher, and has indicated they would continue. Currently Fed Funds is at 2.25%, more than double the rate a year ago. The strange thing is that long-term interest rates have stayed about the same. While the higher short-term rates cost us more on borrowings, we receive some benefit on the higher rates we earn on our cash. And at this time, about 19% of the Fund's assets are in short-term investments, including US Treasury Bills, auction market preferreds issued by other closed-end funds and sovereign bonds maturing in less than one year. We bought the sovereign bonds issued by the United Kingdom in British Pounds and by New Zealand in New Zealand dollars. Together the sovereign bonds comprise about 15% of the Fund. This exposes us to changes in foreign currency which is something we desired. The US dollar has weakened against these foreign currencies and we feel that it may weaken further. The interest rate on the UK and New Zealand bonds is considerably higher than we could get on comparable bonds issued by the US government. We think it makes sense to have some investments in foreign denominated securities. Unless, or until, the federal deficit and the US trade deficit are reduced, we will continue to place a small amount of our investments in other currencies. If the other currencies strengthen relative to the US dollar, it will further enhance our return when converted back to US dollars. And, of course the opposite is true if the U.S. dollar strengthens. But we think the odds are in our favor.

Our cash and cash equivalent balance at 19% is higher than normal. A big game hunter went to Africa. He prepared for the trip with a brand new gun and plenty of ammunition. When he arrived, he was so excited to be there, he spent half his ammunition on practice shots. On the 6th day of his 7 day safari, having not seen anything, he became impatient from looking for so long without seeing any big game, so he spent the last of his ammunition on rodents and small game. On the last day as they headed back to camp, without any ammunition left, they passed all kinds of herds of "big game." Unfortunately the hunter had spent all his precious ammunition. In the market, we see rodents and small game, but we'll conserve our cash and wait until we find something along the lines we consider "big game."

Happy Hunting,

Stewart R. Horejsi

December 23, 2004

Our website at 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 Growth & Income Fund's sister fund-the Boulder Total Return Fund.

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Boulder Growth and Income Fund, Inc.

Exhibit 1

(Unaudited)

Change in Principal Value of Asset Classes 11/30/2003 to 11/30/2004

	Common Stock Investments					Total
	REITS	Industrials	Bonds	AMPs		
Beginning Market Value	11/30/03	\$ 28,926,295	\$ 57,751,690	\$ 107,111	\$ -	\$ 86,785,096
	12/01/03					
Cost of Purchases	11/30/04	5,300,640	4,831,994	15,669,208	16,000,000	41,801,842
	12/01/03					
Proceeds from Sales	11/30/04	7,630,603	14,849,017	-	13,000,000	35,479,620
Net Purchases/(Sales)		(2,329,963)	(10,017,023)	15,669,208	3,000,000	\$ 6,322,222
Beginning Market Value Plus Net Purchases/(Sales)		26,596,332	47,734,667	15,776,319	3,000,000	\$ 93,107,318
Net Appreciation		6,662,400	2,931,121	310,135	-	9,903,656
Ending Market Value	11/30/04	33,258,732	50,665,788	16,086,454	3,000,000	\$ 103,010,974
Number of Issues Held	11/30/04	18	17	5	2	
Cash and Other Assets and Liabilities						\$885,107
Total Assets (including \$18,000,000 leverage)						\$ 103,896,081

Financial Data

(Unaudited)

	Per Share of Common Stock	
	Net Asset Value	NYSE Closing Price
12/31/2003	\$ 6.88	\$ 6.30
1/31/2004	\$ 7.30	\$ 6.46
2/29/2004	\$ 7.54	\$ 6.47
3/31/2004	\$ 7.55	\$ 6.55
4/30/2004	\$ 7.07	\$ 6.23
5/31/2004	\$ 7.13	\$ 5.83

Per Share of Common Stock

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	Net Asset Value	NYSE Closing Price
6/30/2004	\$ 7.26	\$ 5.95
7/31/2004	\$ 7.11	\$ 6.33
8/31/2004	\$ 7.28	\$ 6.38
9/30/2004	\$ 7.24	\$ 6.70
10/31/2004	\$ 7.31	\$ 6.60
11/30/2004	\$ 7.58	\$ 6.63

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Portfolio of Investments as of November 30, 2004 Boulder Growth & Income Fund, Inc.

Shares	Description	Value (Note 1)
LONG TERM INVESTMENTS-97.8%		
DOMESTIC COMMON STOCKS-93.4%		
Beverages-1.6%		
50,000	Pepsi Bottling Group, Inc.	\$ 1,401,000
Diversified-30.2%		
310	Berkshire Hathaway Inc., Class A	25,947,000
Financial Services-3.9%		
40,000	Federated Investors, Inc.	1,176,800
45,000	H&R Block, Inc.	2,146,500
		3,323,300
Food-Misc/Diversified-1.7%		
60,000	Sara Lee Corporation	1,408,800
Health Care Products & Services-1.2%		
18,000	AmerisourceBergen Corporation	1,060,920
Insurance-7.2%		
38,500	Fidelity National Financial, Inc.	1,651,265
40,000	First American Corporation	1,318,000
55,750	Marsh & McLennan Companies, Inc.	1,593,892
30,000	Torchmark Corporation	1,647,300
		6,210,457
Pharmaceuticals-6.5%		
82,000	Bristol-Meyers Squibb Company	1,927,000
65,000	Merck & Company, Inc.	1,821,300
66,000	Pfizer, Inc.	1,832,820
		5,581,120
REITS-38.7%		
70,000	Archstone-Smith Realty Trust	2,555,000
45,000	Arden Realty, Inc.	1,620,000
69,000	AvalonBay Communities, Inc.	4,905,900
6,100	Boston Properties, Inc.	367,098
40,000	Equity Residential Properties Trust	1,348,400
26,000	First Industrial Realty Trust, Inc.	1,034,800

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	Gables Residential Trust	713,400
20,000	Health Care Property Investors, Inc.	2,200,060
82,000	Healthcare Realty Trust, Inc.	1,343,100
33,000	Hospitality Properties Trust	1,527,960
34,000	HRPT Properties Trust	3,143,400
260,000	Liberty Property Trust	779,000
19,000	Pan Pacific Retail Properties, Inc.	1,779,000
30,000	Post Properties, Inc.	2,659,800
78,000	Prentiss Properties Trust	2,116,274
56,600	Regency Centers Corporation	2,080,000
40,000	Simon Property Group Inc.	807,040
13,000	Vornado Realty Trust	2,278,500
31,000		33,258,732
Savings & Loan Companies-2.4%		
	Washington Mutual, Inc.	2,076,210
51,000	Total Domestic Common Stocks (cost \$65,057,180)	80,267,539

See accompanying Notes to Financial Statements

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Portfolio of Investments as of November 30, 2004 Boulder Growth & Income Fund, Inc.

Shares	Description	Value (Note 1)
FOREIGN COMMON STOCKS-4.3%		
Netherlands-2.6%		
31,250	Heineken NV	\$ 988,481
20,000	Unilever NV, ADR	1,260,000
		2,248,481
United Kingdom-1.7%		
25,000	Diageo PLC, Sponsored ADR	1,408,500
	Total Foreign Common Stocks (cost \$3,101,487)	3,656,981
Par Value		
CORPORATE BONDS-0.1%		
120,000	American Airlines Inc., Pass-through Certificates, 7.800%, due 10/01/06 (cost \$120,000)	99,360
Shares		
WARRANTS-0.0%**		
1,500	Ono Finance Certificate, Warrant, Expires 5/31/09*	15
	Total Long Term Investments (cost \$68,278,667)	84,023,895
SHORT TERM INVESTMENTS-22.8%		
BANK DEPOSIT-0.6%		
Par Value		
554,000	Investors Bank & Trust Money Market Deposit Account, 1.500% due 12/01/04 (cost \$554,000)	554,000
Shares		
AUCTION MARKET PREFERRED SECURITIES-3.6%		
60	Scudder RREEF Real Estate Fund II, Series TH7	1,500,000
60	West Asset/Claymore US Treasury Inflation Protected Securities Fund, Series W	1,500,000
	Total Auction Market Preferred	3,000,000

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	Securities (cost \$3,000,000)	
FOREIGN GOVERNMENT BONDS-18.6%		
Par Value		
New Zealand-6.0%		
	New Zealand Government, 6.500% due 2/15/05	5,163,402
7,200,000		
United Kingdom-12.6%		
	UK Gilt Conversion Bond, 9.500% due 4/18/05	5,445,863
2,800,000		
	UK Gilt Treasury Bond, 8.500% due 12/07/05	5,377,814
2,700,000		
		10,823,677
	Total Foreign Government Bonds (cost \$15,195,199)	15,987,079
	Total Short Term Investments (cost \$18,749,199)	19,541,079

See accompanying Notes to Financial Statements

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Portfolio of Investments as of November 30, 2004 Boulder Growth & Income Fund, Inc.

Par Value	Description	Value (Note 1)
Total Investments-120.6%		
	(cost \$87,027,866***)	\$ 103,564,974
	Other Assets and Liabilities-(20.6%)	(17,668,893)
	Net Assets-100%	\$ 85,896,081

At November 30, 2004, securities or a partial position of these securities were pledged as collateral for the loan outstanding. These securities held with the custodian as segregated assets, have an aggregate market value of \$37,481,400.

* Security is a private placement.

** Amount represents less than 0.1% of net assets.

*** Aggregate cost for federal tax purposes.

Non-income producing security.

ADR American Depository Receipt.

See accompanying Notes to Financial Statements

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Statement of Assets and Liabilities Boulder Growth & Income Fund, Inc.

November 30, 2004

ASSETS:	
Investments, at value (Cost, \$87,027,866) (Note 1)	
See accompanying schedule	\$ 103,564,974
Cash	880
Foreign cash at value (identified cost \$245,041)	259,457
Dividends and interest receivable	453,802
Prepaid expenses and other assets	38,487
TOTAL ASSETS	104,317,600
LIABILITIES:	
Loan payable to bank (Note 10)	\$ 18,000,000
Deferred compensation-director (Note 11)	100,827
Investment co-advisory fees payable (Note 2)	106,974
Legal and Audit fees payable	80,367
Interest due on loan payable to bank (Note 10)	43,417
Administration, co-administration and custodian fees payable (Note 2)	38,555
Accrued expenses and other payables	51,379
TOTAL LIABILITIES	18,421,519
NET ASSETS	\$ 85,896,081
NET ASSETS consist of:	
Distributions in excess of net investment income	\$ (100,827)
Accumulated net realized loss on investments sold	(12,632,829)
Unrealized appreciation of investments	16,570,043
Par value of Common Stock (Note 4)	113,278
Paid-in capital in excess of Common Stock	81,946,416
TOTAL NET ASSETS	\$ 85,896,081
NET ASSET VALUE	
Net Asset Value, \$85,896,081/11,327,784 shares outstanding	\$ 7.58

See accompanying Notes to Financial Statements

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Statement of Operations Boulder Growth & Income Fund, Inc.

For the Year Ended November 30, 2004

INVESTMENT INCOME:	
Dividends (net of foreign withholding taxes of \$13,810)	\$ 2,183,141
Interest	147,072
TOTAL INVESTMENT INCOME	2,330,213
EXPENSES:	
Investment co-advisory fees (Note 2)	\$ 1,220,625
Administration, co-administration and custodian fees (Note 2)	331,719
Legal and Audit fees	232,089
Directors fees and expenses (Note 2)	69,823
Printing fees	67,529
Insurance Expenses	39,294
Other	51,390
GROSS EXPENSES	2,012,469
Fees waived by the Administrator (Note 2)	(57,554)
OPERATING EXPENSES	1,954,915
Interest on outstanding loan payable (Note 10)	368,442
TOTAL EXPENSES	2,323,357
NET INVESTMENT INCOME	6,856
REALIZED AND UNREALIZED GAIN ON INVESTMENTS:	
Net realized gain/(loss) on:	
Securities	8,132,509
Foreign currency related transactions	(10,049)
Net change in unrealized appreciation of:	
Securities	2,730,965
Foreign currency related transactions	32,935
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS	10,886,360
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 10,893,216

See accompanying Notes to Financial Statements

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Statement of Changes in Net Assets Boulder Growth & Income Fund, Inc.

	Year Ended November 30,	
	2004	2003
OPERATIONS:		
Net investment income	\$ 6,856	\$ 63,621
Net realized gain/(loss) on investments sold during the year	8,122,460	(8,075,680)
Change in unrealized appreciation of investments during the year	2,763,900	22,303,711
Net increase in net assets resulting from operations	10,893,216	14,291,652
DISTRIBUTIONS:		
Dividends paid from net investment income	(283,195)	(736,306)
Total Distributions	(283,195)	(736,306)
CAPITAL SHARE TRANSACTIONS:		
Proceeds from Rights Offering (Note 9)	-	24,581,291
Expenses incurred for Rights Offering (Note 9)	-	(159,614)
NET INCREASE IN NET ASSETS FOR THE YEAR	10,610,021	37,977,023
NET ASSETS:		
Beginning of year	75,286,060	37,309,037
End of year (including undistributed (distributions in excess of) net investment income of \$(100,827) and \$115,617, respectively)	\$ 85,896,081	\$ 75,286,060

See accompanying Notes to Financial Statements

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Statement of Cash Flows Boulder Growth & Income Fund, Inc.

For the year ended November 30, 2004

Cash flows from operating activities:	
Investment income received	\$ (139,465)
Dividend income received	2,737,285
Payment of operating expenses	(1,962,651)
Proceeds from sales of long-term securities	45,479,307
Purchases of long-term securities	(43,410,273)
Net proceeds from short-term investments	201,000
Cash provided by operating activities	\$ 2,905,203
Cash flows from financing activities:	
Distributions paid	(283,195)
Repayment of outstanding loan	(2,000,000)
Interest expense	(362,390)
Cash used by financing activities	(2,645,585)
Increase in cash	259,618
Cash at beginning of year	719
Cash at end of year	\$ 260,337
RECONCILIATION OF NET INCREASE IN NET ASSETS FROM OPERATIONS TO CASH PROVIDED BY OPERATING ACTIVITIES:	
Net increase in net assets resulting from operations	\$ 10,893,216
Increase in investments	\$ (8,028,414)
Increase in interest and dividends receivable	(313,736)
Decrease in other assets	787
Decrease in accrued expenses	(15,092)
Interest expense	368,442
Cash provided from operating activities	\$ 2,905,203

See accompanying Notes to Financial Statements

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Boulder Growth & Income Fund, Inc.

Financial Highlights

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,		Five Month Period Ended November 30, 2002(b)	Year Ended June 30,		
	2004	2003		2002	2001	2000
OPERATING PERFORMANCE:						
Net asset value, beginning of year	\$ 6.65	\$ 6.59	\$ 7.15	\$ 8.65	\$ 8.96	\$ 10.07
Net investment income/(loss)	0.01	(0.03)	0.02	0.58	0.70	0.67
Net realized and unrealized gain/(loss) on investments	0.95	1.23	(0.58)	(1.49)	(0.31)	(1.02)
Total from investment operations	0.96	1.20	(0.56)	(0.91)	0.39	(0.35)
DISTRIBUTIONS:						
Dividends paid from net investment income to shareholders	(0.03)	(0.07)	-	(0.59)	(0.70)	(0.76)
Total distributions	(0.03)	(0.07)	-	(0.59)	(0.70)	(0.76)
Dilutive Impact of Rights Offering	-	(1.07)	-	-	-	-
Net asset value, end of year	\$ 7.58	\$ 6.65	\$ 6.59	\$ 7.15	\$ 8.65	\$ 8.96
Market value, end of year	\$ 6.63	\$ 5.50	\$ 5.22	\$ 6.78	\$ 8.50	\$ 8.25

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Total
investment
return
based
on
net
asset
value(a,c)

14.44%

2.37