

DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC  
Form N-CSR  
November 26, 2008

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: 811-07810

Exact name of registrant as specified in charter:  
Delaware Investments® Colorado Municipal Income Fund, Inc.

Address of principal executive offices:  
2005 Market Street  
Philadelphia, PA 19103

Name and address of agent for service:  
David F. Connor, Esq.  
2005 Market Street  
Philadelphia, PA 19103

Registrant's telephone number, including area code: (800) 523-1918

Date of fiscal year end: March 30

Date of reporting period: September 30, 2008

---

Item 1. Reports to Stockholders

Semiannual Report

Delaware  
Investments  
Closed-End  
Municipal Bond  
Funds

September 30, 2008



## Closed-end funds

---

### Table of contents

|  |    |
|--|----|
| > Sector/State allocations and credit quality breakdowns | 1  |
| > Statements of net assets                               | 4  |
| > Statements of operations                               | 18 |
| > Statements of changes in net assets                    | 19 |
| > Financial highlights                                   | 20 |
| > Notes to financial statements                          | 24 |
| > Other Fund information                                 | 31 |
| > About the organization                                 | 33 |

Funds are not FDIC insured and are not guaranteed. It is possible to lose the principal amount invested.

Mutual fund advisory services provided by Delaware Management Company, a series of Delaware Management Business Trust, which is a registered investment advisor.

All third-party trademarks are the property of their respective owners.

## Sector/State allocations and credit quality breakdowns

As of September 30, 2008

Sector designations may be different than the sector designations presented in other Fund materials.

### Delaware Investments

#### Arizona Municipal Income Fund, Inc.

| Sector   | Percentage<br>of Net Assets |
|--|-----------------------------|
| <b>Municipal Bonds</b>                                 | <b>152.58%</b>              |
| Education Revenue Bonds                                | 16.51%                      |
| Electric Revenue Bonds                                 | 9.06%                       |
| Escrowed to Maturity Bond                              | 6.60%                       |
| Health Care Revenue Bonds                              | 19.35%                      |
| Housing Revenue Bonds                                  | 2.65%                       |
| Lease Revenue Bonds                                    | 6.60%                       |
| Local General Obligation Bonds                         | 14.64%                      |
| Pre-Refunded Bonds                                     | 40.92%                      |
| Special Tax Revenue Bonds                              | 19.96%                      |
| State General Obligation Bond                          | 0.74%                       |
| Transportation Revenue Bonds                           | 7.63%                       |
| Water & Sewer Revenue Bonds                            | 7.92%                       |
| <b>Total Value of Securities</b>                       | <b>152.58%</b>              |
| <b>Receivables and Other Assets Net of Liabilities</b> | <b>13.00%</b>               |
| <b>Liquidation Value of Preferred Stock</b>            | <b>(65.58%)</b>             |
| <b>Total Net Assets</b>                                | <b>100.00%</b>              |

### Credit Quality Breakdown

(as a % of fixed income investments)

|              |                |
|--------------|----------------|
| AAA          | 36.56%         |
| AA           | 38.75%         |
| A            | 10.69%         |
| BBB          | 14.00%         |
| <b>Total</b> | <b>100.00%</b> |

### Delaware Investments

#### Colorado Municipal Income Fund, Inc.

| Sector   | Percentage<br>of Net Assets |
|--|-----------------------------|
| <b>Municipal Bonds</b>                                 | <b>146.06%</b>              |
| Education Revenue Bonds                                | 24.21%                      |
| Electric Revenue Bond                                  | 1.29%                       |
| Health Care Revenue Bonds                              | 6.78%                       |
| Housing Revenue Bonds                                  | 1.93%                       |
| Lease Revenue Bonds                                    | 5.72%                       |
| Local General Obligation Bonds                         | 13.26%                      |
| Pre-Refunded Bonds                                     | 63.58%                      |
| Special Tax Revenue Bonds                              | 13.48%                      |
| State General Obligation Bond                          | 3.50%                       |
| Transportation Revenue Bond                            | 1.43%                       |
| Water & Sewer Revenue Bonds                            | 10.88%                      |
| <b>Short-Term Investments</b>                          | <b>1.94%</b>                |
| <b>Total Value of Securities</b>                       | <b>148.00%</b>              |
| <b>Receivables and Other Assets Net of Liabilities</b> | <b>14.63%</b>               |
| <b>Liquidation Value of Preferred Stock</b>            | <b>(62.63%)</b>             |

|                         |                |
|-------------------------|----------------|
| <b>Total Net Assets</b> | <b>100.00%</b> |
|-------------------------|----------------|

Credit Quality Breakdown  
(as a % of fixed income investments)

|              |                |
|--------------|----------------|
| AAA          | 31.80%         |
| AA           | 48.81%         |
| A            | 8.18%          |
| BBB          | 5.57%          |
| Not Rated    | 5.64%          |
| <b>Total</b> | <b>100.00%</b> |

(continues) 1

## Sector/State allocations and credit quality breakdowns

As of September 30, 2008

Sector designations may be different than the sector designations presented in other Fund materials.

**Delaware Investments**  
**Minnesota Municipal Income Fund II, Inc.**

| Sector   | Percentage of Net Assets |
|--|--------------------------|
| <b>Municipal Bonds</b>                                 | <b>144.72%</b>           |
| Corporate-Backed Revenue Bonds                         | 6.33%                    |
| Education Revenue Bonds                                | 5.52%                    |
| Electric Revenue Bonds                                 | 20.98%                   |
| Escrowed to Maturity Bonds                             | 17.90%                   |
| Health Care Revenue Bonds                              | 14.25%                   |
| Housing Revenue Bonds                                  | 9.36%                    |
| Lease Revenue Bonds                                    | 9.56%                    |
| Local General Obligation Bonds                         | 22.70%                   |
| Pre-Refunded Bonds                                     | 22.53%                   |
| Special Tax Revenue Bonds                              | 4.43%                    |
| State General Obligation Bonds                         | 3.30%                    |
| Transportation Revenue Bonds                           | 7.86%                    |
| <b>Short-Term Investment</b>                           | <b>0.20%</b>             |
| <b>Total Value of Securities</b>                       | <b>144.92%</b>           |
| <b>Receivables and Other Assets Net of Liabilities</b> | <b>18.01%</b>            |
| <b>Liquidation Value of Preferred Stock</b>            | <b>(62.93%)</b>          |
| <b>Total Net Assets</b>                                | <b>100.00%</b>           |

Credit Quality Breakdown  
(as a % of fixed income investments)

|              |                |
|--------------|----------------|
| AAA          | 31.72%         |
| AA           | 33.66%         |
| A            | 18.08%         |
| BBB          | 11.54%         |
| BB           | 2.26%          |
| B            | 0.40%          |
| Not Rated    | 2.34%          |
| <b>Total</b> | <b>100.00%</b> |

2

**Delaware Investments**  
**National Municipal Income Fund**

| Sector   | Percentage<br>of Net Assets |
|--|-----------------------------|
| <b>Municipal Bonds</b>                                 | <b>151.63%</b>              |
| Corporate-Backed Revenue Bonds                         | 7.66%                       |
| Education Revenue Bonds                                | 3.45%                       |
| Electric Revenue Bond                                  | 3.22%                       |
| Health Care Revenue Bonds                              | 20.91%                      |
| Housing Revenue Bonds                                  | 14.78%                      |
| Lease Revenue Bonds                                    | 20.02%                      |
| Local General Obligation Bonds                         | 9.64%                       |
| Pre-Refunded Bonds                                     | 9.05%                       |
| Special Tax Revenue Bonds                              | 26.52%                      |
| State General Obligation Bonds                         | 5.10%                       |
| Transportation Revenue Bonds                           | 13.09%                      |
| Water & Sewer Revenue Bonds                            | 18.19%                      |
| <b>Short-Term Investments</b>                          | <b>5.29%</b>                |
| <b>Total Value of Securities</b>                       | <b>156.92%</b>              |
| <b>Receivables and Other Assets Net of Liabilities</b> | <b>11.35%</b>               |
| <b>Liquidation Value of Preferred Stock</b>            | <b>(68.27%)</b>             |
| <b>Total Net Assets</b>                                | <b>100.00%</b>              |

| State<br>(as a % of fixed income investments) |                |
|---|----------------|
| Arizona                                       | 2.58%          |
| California                                    | 2.60%          |
| Florida                                       | 68.22%         |
| Georgia                                       | 0.47%          |
| Indiana                                       | 0.58%          |
| Iowa  | 1.09%          |
| Maryland                                      | 1.02%          |
| Massachusetts                                 | 1.11%          |
| New York                                      | 6.42%          |
| Ohio  | 1.02%          |
| Pennsylvania                                  | 1.13%          |
| Puerto Rico                                   | 4.56%          |
| South Carolina                                | 0.64%          |
| Texas   | 7.47%          |
| Virginia                                      | 1.09%          |
| <b>Total</b>                                  | <b>100.00%</b> |

| Credit Quality Breakdown<br>(as a % of fixed income investments) |                |
|--|----------------|
| AAA  | 30.22%         |
| AA   | 53.96%         |
| A  | 9.61%          |
| BBB  | 3.39%          |
| BB   | 0.47%          |
| Not Rated  | 2.35%          |
| <b>Total</b>   | <b>100.00%</b> |

## Statements of net assets

### Delaware Investments Arizona Municipal Income Fund, Inc.

September 30, 2008 (Unaudited)

|   | Principal<br>Amount | Value |
|---|---------------------|-------|
| <b>Municipal Bonds</b> □ <b>152.58%</b> |                     |       |
| Education Revenue Bonds □ 16.51%        |                     |       |
| Arizona Board Regents System            |                     |       |

Edgar Filing: DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC - Form N-CSR

|  |            |            |
|--|------------|------------|
| Revenue (Arizona State University)<br>Series 8-A<br>5.00% 6/1/18   | \$ 200,000 | \$ 205,154 |
| 5.00% 6/1/19   | 375,000    | 380,288    |
| Arizona State University Certificates<br>of Participation (Research<br>Infrastructure Project)<br>5.00% 9/1/30 (AMBAC)                         | 1,000,000  | 929,510    |
| Arizona Student Loan Acquisition<br>Authority Revenue Refunding<br>Series A-1 5.90% 5/1/24 (AMT)   | 1,500,000  | 1,411,125  |
| Glendale Industrial Development<br>Authority Revenue Refunding<br>(Midwestern University)<br>5.00% 5/15/31                                     | 350,000    | 307,741    |
| Northern Arizona University Certificates<br>of Participation (Northern Arizona<br>University Research Project)<br>5.00% 9/1/30 (AMBAC)         | 1,000,000  | 906,010    |
| Pima County Industrial Development<br>Authority Educational Revenue<br>Refunding (Tucson County Day<br>School Project) 5.00% 6/1/37            | 500,000    | 373,045    |
| South Campus Group Student<br>Housing Revenue (Arizona State<br>University -South Campus Project)<br>5.625% 9/1/35 (MBIA)                      | 1,000,000  | 923,900    |
| University of Puerto Rico Revenue<br>Series Q 5.00% 6/1/36   | 1,000,000  | 857,340    |
|  |            | 6,294,113  |
| Electric Revenue Bonds □ 9.06%   |            |            |
| Salt River Project Agricultural<br>Improvement & Power District<br>Electric System Revenue<br>(Salt River Project)<br>Series A<br>5.00% 1/1/16 | 500,000    | 530,855    |
| 5.00% 1/1/31   | 1,765,000  | 1,696,147  |
| Series B 5.00% 1/1/25  | 1,250,000  | 1,225,388  |
|  |            | 3,452,390  |
| Escrowed to Maturity Bond □ 6.60%  |            |            |
| Puerto Rico Commonwealth<br>Infrastructure Financing Authority<br>Series A 5.50% 10/1/40   | 2,500,000  | 2,517,150  |
|  |            | 2,517,150  |
| Health Care Revenue Bonds □ 19.35%   |            |            |
| Arizona Health Facilities Authority<br>Revenue (Banner Health) Series D<br>5.50% 1/1/21  | 500,000    | 487,780    |
| Glendale Industrial Development<br>Authority Hospital Refunding<br>Revenue (John C. Lincoln Health)<br>5.00% 12/1/42                           | 1,500,000  | 1,158,975  |
| Maricopa County Industrial<br>Development Authority Revenue<br>(Catholic Healthcare West) Series A<br>5.25% 7/1/32                             | 400,000    | 349,456    |
| 5.50% 7/1/26   | 430,000    | 403,099    |
| Scottsdale Industrial Development<br>Authority Hospital Revenue<br>Refunding (Scottsdale Healthcare)<br>Series A 5.25% 9/1/30                  | 500,000    | 439,650    |
| Show Low Industrial Development<br>Authority Hospital Revenue<br>(Navapache Regional Medical Center)<br>Series A 5.50% 12/1/17 (ACA)           | 1,600,000  | 1,537,744  |
| University Medical Center<br>Hospital Revenue<br>5.00% 7/1/33  | 1,000,000  | 800,920    |
| 5.00% 7/1/35   | 500,000    | 397,445    |

Edgar Filing: DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC - Form N-CSR

|  |           |           |
|--|-----------|-----------|
| <b>Yavapai County Industrial Development Authority Revenue (Yavapai Regional Medical Center) Series A 5.25% 8/1/21 (RADIAN)</b>          |           |           |
|  | 2,000,000 | 1,802,160 |
|  |           | 7,377,229 |
| <b>Housing Revenue Bonds □ 2.65%</b>   |           |           |
| Phoenix Industrial Development Authority Single Family Statewide Revenue Series A 5.35% 6/1/20 (GNMA) (FNMA) (FHLMC) (AMT)               |           |           |
|  | 435,000   | 414,634   |
| Series C 5.30% 4/1/20 (GNMA) (FNMA) (FHLMC) (AMT)  |           |           |
|  | 370,000   | 371,746   |
| <b>Pima County Industrial Development Authority Single Family Mortgage Revenue Series A-1 6.125% 11/1/33 (GNMA) (FNMA) (FHLMC) (AMT)</b> |           |           |
|  | 40,000    | 40,301    |
| Puerto Rico Housing Finance Authority Sub-Cap Foundation Modernization 5.50% 12/1/18   |           |           |
|  | 175,000   | 182,250   |
|  |           | 1,008,931 |
| <b>Lease Revenue Bonds □ 6.60%</b>   |           |           |
| Arizona Game & Fishing Department & Commission Beneficial Interest Certificates (AGF Administration Building Project) 5.00% 7/1/26       |           |           |
|  | 640,000   | 581,018   |
| Coconino County Unified School District #8 (Page Impact Aid Revenue Project of 2004) Series A 5.00% 7/1/15 (MBIA)                        |           |           |
|  | 1,000,000 | 1,043,820 |
| Nogales Development Authority Municipal Facilities Revenue 5.00% 6/1/30 (AMBAC)  |           |           |
|  | 500,000   | 423,165   |
| Prescott Valley Municipal Property 5.00% 1/1/27 (FGIC)   |           |           |
|  | 500,000   | 468,650   |
|  |           | 2,516,653 |

4

|  | Principal Amount | Value      |
|--|------------------|------------|
| <b>Municipal Bonds (continued)</b>   |                  |            |
| <b>Local General Obligation Bonds □ 14.64%</b>   |                  |            |
| Coconino & Yavapai Counties Joint Unified School District #9 (Sedona Oak Creek Project 2007) Series A 4.25% 7/1/20 (FSA)   |                  |            |
|  | \$ 900,000       | \$ 851,607 |
| Gila County Unified School District #10 (Payson Step Coupon Project of 2006) Series A 1.00% 7/1/27 (AMBAC)   |                  |            |
|  | 500,000          | 449,260    |
| Maricopa County School District #6 (Washington Elementary) Refunding Series A 5.375% 7/1/13 (FSA) (School Improvement Project of 2001) Series B 5.00% 7/1/17 (FSA) |                  |            |
|  | 3,000,000        | 3,238,710  |
|  | 1,000,000        | 1,040,920  |
|  |                  | 5,580,497  |
| <b>§Pre-Refunded Bonds □ 40.92%</b>  |                  |            |
| Arizona School Facilities Board Certificates of Participation Series B 5.25% 9/1/19-14 (FSA)   |                  |            |
|  | 1,000,000        | 1,087,680  |

Edgar Filing: DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC - Form N-CSR

|  |           |            |
|--|-----------|------------|
| Arizona School Facilities Board Revenue (State School Improvement) Series 2001 5.00% 7/1/19-11 (State School Trust) Series A 5.75% 7/1/18-14 (AMBAC) | 2,000,000 | 2,108,360  |
| Arizona Water Infrastructure Finance Authority Revenue (Water Quality) Series A 5.05% 10/1/20-11   | 1,500,000 | 1,588,335  |
| Oro Valley Municipal Property Excise Tax 5.00% 7/1/20-11 (FGIC)  | 1,000,000 | 1,063,410  |
| Phoenix Civic Improvement Excise Tax (Senior Lien Municipal Courthouse Project) Series A 5.25% 7/1/24-09   | 1,000,000 | 1,029,660  |
| Puerto Rico Commonwealth Public Improvement Revenue Series A 5.125% 7/1/31-11  | 250,000   | 264,775    |
| Puerto Rico Highway & Transportation Authority Series D 5.00% 7/1/32-12 (FSA)  | 3,475,000 | 3,712,759  |
| Scottsdale Industrial Development Authority Hospital Revenue (Scottsdale Healthcare) 5.80% 12/1/31-11  | 1,000,000 | 1,089,680  |
| Southern Arizona Capital Facilities Finance (University of Arizona Project) 5.00% 9/1/23-12 (MBIA)   | 1,150,000 | 1,225,440  |
| University of Arizona Certificates of Participation (University of Arizona Project) Series B 5.125% 6/1/22-12 (AMBAC)                                | 500,000   | 532,965    |
| Virgin Islands Public Finance Authority Revenue (Gross Receipts Tax Loan Note) Series A 6.125% 10/1/29-10 (ACA)                                      | 1,250,000 | 1,340,575  |
|  |           | 15,598,609 |
| <b>Special Tax Revenue Bonds □ 19.96%</b>  |           |            |
| Arizona State Transportation Board Excise Tax Revenue (Maricopa County Regional Area Road Foundation) 5.00% 7/1/19                                   | 750,000   | 761,100    |
| Arizona Tourism & Sports Authority (Multipurpose Stadium Facilities) Series A 5.00% 7/1/31 (MBIA)  | 1,000,000 | 905,390    |
| Flagstaff Aspen Place Sawmill Improvement District 5.00% 1/1/32  | 385,000   | 350,943    |
| Glendale Municipal Property Series A 5.00% 7/1/33 (AMBAC)  | 3,000,000 | 2,844,809  |
| Marana Tangerine Farm Road Improvement District Revenue 4.60% 1/1/26   | 1,000,000 | 809,020    |
| Peoria Municipal Development Authority Sales Tax & Excise Shared Revenue (Senior Lien & Sub Lien) 5.00% 1/1/18                                       | 1,085,000 | 1,114,035  |
| Queen Creek Improvement District #1 5.00% 1/1/32   | 1,000,000 | 823,350    |
|  |           | 7,608,647  |
| <b>State General Obligation Bond □ 0.74%</b>   |           |            |
| Puerto Rico Commonwealth Refunding Series C-7 6.00% 7/1/27 (MBIA)  | 285,000   | 280,870    |
|  |           | 280,870    |
| <b>Transportation Revenue Bonds □ 7.63%</b>  |           |            |
| Arizona Transportation Broad Grant Anticipation Notes 5.00% 7/1/14   | 250,000   | 265,888    |
| Phoenix Civic Improvement Airport Revenue Series B 5.25% 7/1/27  |           |            |



|  |           |                   |
|--|-----------|-------------------|
| (FGIC) (AMT)   | 2,000,000 | 1,713,659         |
| Puerto Rico Commonwealth Highway<br>& Transportation Authority<br>Un-Refunded Balance Series D<br>5.00% 7/1/32 (FSA) | 1,025,000 | 930,926           |
|  |           | 2,910,473         |
| Water & Sewer Revenue Bonds □ 7.92%  |           |                   |
| Phoenix Civic Improvement<br>Wastewater Systems Revenue<br>Junior Lien<br>5.00% 7/1/19 (MBIA)                        | 850,000   | 860,761           |
| 5.00% 7/1/24 (FGIC)  | 1,590,000 | 1,539,343         |
| Scottsdale Water & Sewer Revenue<br>Refunding 5.00% 7/1/19   | 600,000   | 618,084           |
|  |           | 3,018,188         |
| <b>Total Municipal Bonds</b><br>(cost \$60,694,265)  |           | <b>58,163,750</b> |

(continues) 5

## Statements of net assets

### Delaware Investments Arizona Municipal Income Fund, Inc.

|   |                      |
|---|----------------------|
| <b>Total Value of Securities □ 152.58%</b><br>(cost \$60,694,265)     | <b>\$ 58,163,750</b> |
| <b>Receivables and Other Assets</b>                                   |                      |
| <b>Net of Liabilities □ 13.00%<sup>z</sup></b>                        | <b>4,955,852</b>     |
| <b>Liquidation Value of Preferred Stock □ (65.58%)</b>                | <b>(25,000,000)</b>  |
| <b>Net Assets Applicable to 2,982,200</b>                             |                      |
| <b>Shares Outstanding □ 100.00%</b>                                   | <b>\$ 38,119,602</b> |
| Net Asset Value Per Common Share<br>(\$38,119,602 / 2,982,200 Shares) | \$ 12.78             |

### Components of Net Assets at September 30, 2008:

|  |               |
|--|---------------|
| Common stock, \$0.01 par value, 200 million shares<br>authorized to the Fund | \$ 40,780,234 |
| Distributions in excess of net investment income                             | (3,697)       |
| Accumulated net realized loss on investments                                 | (126,420)     |
| Net unrealized depreciation of investments                                   | (2,530,515)   |
| Total net assets   | \$ 38,119,602 |

Step coupon bond. Coupon increases periodically based on a predetermined schedule. Stated rate in effect at September 30, 2008.

§Pre-Refunded Bonds. Municipals that are generally backed or secured by U.S. Treasury bonds. For Pre-Refunded Bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 8 in □Notes to financial statements.□

<sup>z</sup> Of this amount, \$4,127,684 represents receivables for securities sold as of September 30, 2008.

**Summary of Abbreviations:**

ACA □ Insured by American Capital Access  
 AMBAC □ Insured by the AMBAC Assurance Corporation  
 AMT □ Subject to Alternative Minimum  
 FGIC □ Insured by the Financial Guaranty Insurance Company  
 FHLMC □ Insured by the Federal Home Loan Mortgage Corporation  
 FNMA □ Insured by Federal National Mortgage Association  
 FSA □ Insured by Financial Security Assurance  
 GNMA □ Insured by Government National Mortgage Association  
 MBIA □ Insured by the Municipal Bond Insurance Association  
 RADIAN □ Insured by Radian Asset Assurance

See accompanying notes

6

**Delaware Investments Colorado Municipal Income Fund, Inc.**

September 30, 2008 (Unaudited)

|  | Principal<br>Amount   | Value   |
|--|---|---|
| <b>Municipal Bonds □ 146.06%</b>   |   |   |
| <b>Education Revenue Bonds □ 24.21%</b>  |   |   |
| Boulder County Development<br>Revenue (University Corporation<br>for Atmospheric Research)<br>5.00% 9/1/26 (MBIA)  | \$ 4,500,000  | \$ 4,299,749  |
| Colorado Educational & Cultural<br>Facilities Authority Revenue<br>(Bromley Charter School Project)<br>Refunding 5.25% 9/15/32 (XLCA)<br>(Campus Village Apartments)<br>5.00% 6/1/23<br>(Johnson & Wales University Project)<br>Series A 5.00% 4/1/28 (XLCA)<br>(Littleton Charter School Project)<br>Refunding 4.375% 1/15/36 (CIFG)<br>(University of Northern Colorado)<br>Series A 5.00% 7/1/31 (MBIA) | 1,000,000<br>1,065,000<br>3,000,000<br>1,200,000<br>2,500,000 | 917,160<br>964,879<br>2,583,690<br>929,412<br>2,275,275 |
| Colorado State Board of Governors<br>(Colorado University) Series B<br>5.00% 3/1/35 (AMBAC)  | 1,800,000   | 1,638,054   |
| University of Northern Colorado<br>Revenue Refunding<br>5.00% 6/1/35 (FSA)   | 2,000,000   | 1,852,920   |
|  |   | 15,461,139  |
| <b>Electric Revenue Bond □ 1.29%</b>   |   |   |
| Arkansas River Power Authority<br>Revenue Improvement<br>5.25% 10/1/32 (XLCA)  | 1,000,000   | 824,990<br>824,990                                      |
| <b>Health Care Revenue Bonds □ 6.78%</b>   |   |   |
| Colorado Health Facilities<br>Authority Revenue<br>(Evangelical Lutheran) 5.25% 6/1/23<br>(North Colorado Medical Center)<br>Refunding 5.95% 5/15/12 (MBIA)<br>(Porter Place) Series A<br>6.00% 1/20/36 (GNMA)   | 1,000,000<br>880,000<br>2,515,000                             | 899,450<br>894,529<br>2,536,428<br>4,330,407            |
| <b>Housing Revenue Bonds □ 1.93%</b>   |   |   |
| Puerto Rico Housing Finance<br>Authority Sub-Cap<br>Foundation Modernization   |   |   |

Edgar Filing: DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC - Form N-CSR

|  |           |           |
|--|-----------|-----------|
| 5.125% 12/1/27   | 1,000,000 | 920,260   |
| 5.50% 12/1/18  | 300,000   | 312,429   |
|  |           | 1,232,689 |
| <b>Lease Revenue Bonds □ 5.72%</b>   |           |           |
| Glendale Certificates of Participation   |           |           |
| 5.00% 12/1/25 (XLCA)   | 1,500,000 | 1,392,060 |
| Puerto Rico Public Buildings Authority Revenue (Guaranteed Government Facilities) Series M-2     |           |           |
| 5.50% 7/1/35 (AMBAC)   | 700,000   | 699,937   |
| Westminster Building Authority Certificates of Participation                                     |           |           |
| 5.25% 12/1/22 (MBIA)   | 1,555,000 | 1,559,385 |
|  |           | 3,651,382 |
| <b>Local General Obligation Bonds □ 13.26%</b>   |           |           |
| Adams & Arapahoe Counties Joint School District #28J (Aurora)                                    |           |           |
| 5.25% 12/1/25 (MBIA)   | 2,000,000 | 1,959,960 |
| Adams County School District #14   |           |           |
| 5.125% 12/1/31 (FSA)   | 500,000   | 478,090   |
| Arapahoe County Water & Wastewater Public Improvement District Refunding Series A                |           |           |
| 5.125% 12/1/32 (MBIA)  | 1,000,000 | 952,680   |
| Bowles Metropolitan District Refunding 5.00% 12/1/33 (FSA)                                       |           |           |
|  | 2,000,000 | 1,867,020 |
| Centennial Downs Metropolitan District Refunding   |           |           |
| 5.00% 12/1/28 (AMBAC)  | 215,000   | 201,236   |
| Green Valley Ranch Metropolitan District Refunding   |           |           |
| 5.75% 12/1/19 (AMBAC)  | 1,000,000 | 1,024,340 |
| Larimer County School District # R1 Poudre Refunding   |           |           |
| 5.00% 12/15/16   | 500,000   | 524,420   |
| Sand Creek Metropolitan District Refunding & Improvement   |           |           |
| 5.00% 12/1/31 (XLCA)   | 500,000   | 422,370   |
| Weld County School District #Re-4  |           |           |
| 5.00% 12/1/18 (FSA)  | 1,000,000 | 1,042,130 |
|  |           | 8,472,246 |
| <b>§Pre-Refunded Bonds □ 63.58%</b>  |           |           |
| Auraria Higher Education Center Parking Facilities System  |           |           |
| 5.50% 4/1/26-10 (AMBAC)  | 2,485,000 | 2,595,980 |
| Aurora Certificates of Participation   |           |           |
| 5.50% 12/1/30-10 (AMBAC)   | 2,000,000 | 2,119,360 |
| Burlingame Multifamily Housing Revenue Series A  |           |           |
| 6.00% 11/1/29-09 (MBIA)  | 2,290,000 | 2,402,439 |
| Colorado Educational & Cultural Facilities Authority (University of Colorado Foundation Project) |           |           |
| 5.00% 7/1/27-12 (AMBAC) (University of Denver Project)   | 4,000,000 | 4,248,880 |
| Refunding & Improvement  |           |           |
| 5.50% 3/1/21-11 (AMBAC)  | 3,200,000 | 3,395,136 |
| Series B 5.25% 3/1/35-16 (FGIC)  | 1,500,000 | 1,625,805 |
| Colorado Water Resources & Power Development Authority Revenue Series A                          |           |           |
| 5.80% 11/1/20-10 (FGIC)  | 1,220,000 | 1,298,690 |
| Denver City & County Excise Tax Revenue (Colorado Convention Center Project)                     |           |           |
| 5.00% 9/1/20-11 (FSA)  | 3,500,000 | 3,672,795 |
| Denver Convention Center Hotel Authority Series A  |           |           |
| 5.00% 12/1/33-13 (XLCA)  | 3,000,000 | 3,158,010 |

## Statements of net assets

### Delaware Investments Colorado Municipal Income Fund, Inc.

|   | Principal<br>Amount | Value        |
|---|---------------------|--------------|
| <b>Municipal Bonds (continued)</b>  |                     |              |
| §Pre-Refunded Bonds (continued)   |                     |              |
| E-470 Public Highway Authority<br>Series A  |                     |              |
| 5.75% 9/1/29-10 (MBIA)  | \$ 3,000,000        | \$ 3,219,960 |
| 5.75% 9/1/35-10 (MBIA)  | 1,700,000           | 1,824,644    |
| Eagle County Certificates of Participation<br>5.40% 12/1/18-09 (MBIA)                           | 1,000,000           | 1,045,360    |
| Garfield Pitkin & Eagle County<br>School District #Re-1 (Roaring<br>Fork County) Series A       |                     |              |
| 5.00% 12/15/27-14 (FSA)   | 1,500,000           | 1,614,705    |
| Northwest Parkway Public<br>Highway Authority Series A  |                     |              |
| 5.25% 6/15/41-11 (FSA)  | 4,150,000           | 4,424,481    |
| Pueblo County (Library District Project)<br>5.80% 11/1/19-09 (AMBAC)                            | 1,395,000           | 1,447,368    |
| Puerto Rico Commonwealth<br>Highway & Transportation<br>Authority Revenue Series K              |                     |              |
| 5.00% 7/1/40-15   | 500,000             | 536,180      |
| Puerto Rico Electric Power<br>Authority Revenue Series RR                                       |                     |              |
| 5.00% 7/1/35-15 (FGIC)  | 1,000,000           | 1,079,170    |
| Weld & Adams Counties<br>School District #Re-3J   |                     |              |
| 5.00% 12/15/24-14 (FSA)   | 830,000             | 893,470      |
|   |                     | 40,602,433   |
| Special Tax Revenue Bonds □ 13.48%  |                     |              |
| Broomfield Sales & Use Tax Revenue<br>Refunding & Improvement<br>Series A 5.00% 12/1/31 (AMBAC) | 650,000             | 591,058      |
| Denver Convention Center Hotel<br>Authority Revenue Refunding<br>5.00% 12/1/35 (XLCA)           | 1,690,000           | 1,301,537    |
| Golden Sales & Use Tax Revenue<br>Improvement Series B<br>5.10% 12/1/20 (AMBAC)                 | 1,000,000           | 1,001,960    |
| Gypsum Sales Tax & General<br>Funding Revenue 5.25% 6/1/30<br>(Assured Gty)                     | 1,000,000           | 992,250      |
| Regional Transportation District<br>Colorado Sales Tax Revenue                                  |                     |              |

Edgar Filing: DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC - Form N-CSR

|  |           |                   |
|--|-----------|-------------------|
| (Fastracks Project) Series A<br>4.375% 11/1/31 (AMBAC)   | 1,250,000 | 1,043,688         |
| 4.50% 11/1/36 (FSA)  | 3,000,000 | 2,526,210         |
| Westminster Supply Purpose Sales<br>& Use Tax Revenue Post Project   |           |                   |
| Series D 5.00% 12/1/22 (FSA)   | 1,180,000 | 1,152,069         |
|  |           | 8,608,772         |
| State General Obligation Bond □ 3.50%  |           |                   |
| Puerto Rico Commonwealth<br>Refunding (Public Improvement)   |           |                   |
| Series A 5.50% 7/1/19 (MBIA)   | 2,250,000 | 2,233,575         |
|  |           | 2,233,575         |
| Transportation Revenue Bond □ 1.43%  |           |                   |
| Denver City & County<br>Airport Revenue Series A   |           |                   |
| 5.00% 11/15/25 (FGIC)  | 1,000,000 | 912,800           |
|  |           | 912,800           |
| Water & Sewer Revenue Bonds □ 10.88%   |           |                   |
| Aurora Water Improvement Revenue<br>First Lien Series A  |           |                   |
| 5.00% 8/1/32 (AMBAC)   | 750,000   | 703,305           |
| Colorado Water Resources & Power<br>Development Authority Revenue<br>Un-Refunded Balance Series A  |           |                   |
| 5.80% 11/1/20 (FGIC)   | 780,000   | 781,225           |
| Colorado Water Resources & Power<br>Development Authority Water<br>Resources Revenue (Parker Water<br>& Sanitation District) Series D                      |           |                   |
| 5.125% 9/1/34 (MBIA)   | 1,500,000 | 1,387,680         |
| 5.25% 9/1/43 (MBIA)  | 2,000,000 | 1,864,480         |
| Ute Water Conservancy District<br>Revenue 5.75% 6/15/20 (MBIA)   |           |                   |
|  | 2,155,000 | 2,209,974         |
|  |           | 6,946,664         |
| <b>Total Municipal Bonds</b>   |           |                   |
| (cost \$95,523,910)  |           | <b>93,277,097</b> |
| <b>•Short-Term Investments □ 1.94%</b>   |           |                   |
| Variable Rate Demand Notes □ 1.94%   |           |                   |
| Colorado Educational & Cultural<br>Facilities Authority Revenue<br>(National Jewish Federation)<br>Series D3 4.25% 12/1/37<br>(LOC □ JP Morgan Chase Bank) |           |                   |
|  | 700,000   | 700,000           |
| Series D6 4.25% 9/1/38<br>(LOC □ JP Morgan Chase Bank)   |           |                   |
|  | 300,000   | 300,000           |
| Colorado Health Facilities Authority<br>Revenue (Sisters Charity Health<br>Systems) Series B 7.95% 12/1/38<br>(SPA - JP Morgan Chase Bank)                 |           |                   |
|  | 240,000   | 240,000           |
| <b>Total Short-Term Investments</b>  |           |                   |

|   |  |                      |
|---|--|----------------------|
| (cost \$1,240,000)  |  | <b>1,240,000</b>     |
| <b>Total Value of Securities</b> □ <b>148.00%</b>             |  |                      |
| (cost \$96,763,910)   |  | <b>94,517,097</b>    |
| <b>Receivables and Other Assets</b>                           |  |                      |
| <b>Net of Liabilities</b> □ <b>14.63%</b> <sup>z</sup>        |  | <b>9,347,412</b>     |
| <b>Liquidation Value of Preferred Stock</b> □ <b>(62.63%)</b> |  | <b>(40,000,000)</b>  |
| <b>Net Assets Applicable to 4,837,100</b>                     |  |                      |
| <b>Shares Outstanding</b> □ <b>100.00%</b>                    |  | <b>\$ 63,864,509</b> |
| <b>Net Asset Value Per Common Share</b>                       |  |                      |
| (\$63,864,509 / 4,837,100 Shares)                             |  | <b>\$13.20</b>       |

8

**Components of Net Assets at September 30, 2008:**

|  |               |
|--|---------------|
| Common stock, \$0.01 par value, 200 million shares |               |
| authorized to the Fund                             | \$ 67,202,571 |
| Distribution in excess of net investment income    | (152,248)     |
| Accumulated net realized loss on investments       | (939,001)     |
| Net unrealized depreciation of investments         | (2,246,813)   |
| Total net assets                                   | \$ 63,864,509 |

§Pre-Refunded Bonds. Municipals that are generally backed or secured by U.S. Treasury bonds. For Pre-Refunded Bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 8 in □Notes to financial statements.□

•Variable rate security. The rate shown is the rate as of September 30, 2008.

<sup>z</sup>Of this amount, \$5,907,627 represents receivables for securities sold as of September 30, 2008.

**Summary of Abbreviations:**

AMBAC □ Insured by the AMBAC Assurance Corporation  
Assured Gty □ Insured by the Assured Guaranty Corporation  
CIFG □ CDC IXIS Financial Guaranty  
FGIC □ Insured by the Financial Guaranty Insurance Company  
FSA □ Insured by Financial Security Assurance  
GNMA □ Insured by Government National Mortgage Association  
LOC □ Letter of Credit  
MBIA □ Insured by the Municipal Bond Insurance Association  
SPA □ Stand by Purchase Agreement  
XLCA □ Insured by XL Capital Assurance

See accompanying notes

(continues) 9

## Statements of net assets

**Delaware Investments Minnesota Municipal Income Fund II, Inc.**

September 30, 2008 (Unaudited)

|  | Principal<br>Amount | Value      |
|--|---------------------|------------|
| <b>Municipal Bonds □ 144.72%</b>   |                     |            |
| Corporate-Backed Revenue Bonds □ 6.33%   |                     |            |
| Anoka County Solid Waste Disposal (National Rural Utility) Series A 6.95% 12/1/08 (AMT)                        | \$ 155,000          | \$ 155,646 |
| Cloquet Pollution Control Revenue Refunding (Potlatch Project) 5.90% 10/1/26                                   | 5,500,000           | 4,850,341  |
| Laurentian Energy Authority I Cogeneration Revenue Series A 5.00% 12/1/21                                      | 3,325,000           | 2,893,182  |
| Minneapolis Community Development Agency Supported (Limited Tax Common Bond Fund) Series A 6.75% 12/1/25 (AMT) | 865,000             | 868,806    |
| Sartell Environmental Improvement Revenue Refunding (International Paper) Series A 5.20% 6/1/27                | 1,000,000           | 788,340    |
|  |                     | 9,556,315  |
| <b>Education Revenue Bonds □ 5.52%</b>   |                     |            |
| Minnesota State Higher Education Facilities Authority Revenue (Augsburg College) Series 6-J1 5.00% 5/1/28      | 1,500,000           | 1,276,245  |
| (College of St. Benedict) Series 5-W 5.00% 3/1/20  | 2,000,000           | 1,878,460  |
| 5.25% 3/1/24 (St. Catherine College) Series 5-N1 5.375% 10/1/32  | 300,000             | 275,574    |
| (St. Mary's University) Series 5-U 4.80% 10/1/23   | 1,500,000           | 1,319,370  |
| (St. Thomas University) Series 5-Y 5.00% 10/1/24   | 1,400,000           | 1,230,040  |
|  | 1,000,000           | 936,120    |
| St. Cloud Housing & Redevelopment Authority Revenue (State University Foundation Project) 5.00% 5/1/23         | 1,000,000           | 972,710    |
| University of the Virgin Islands Series A 5.375% 6/1/34  | 500,000             | 434,640    |
|  |                     | 8,323,159  |
| <b>Electric Revenue Bonds □ 20.98%</b>   |                     |            |
| Chaska Electric Revenue Refunding (Generating Facilities) Series A 5.25% 10/1/25                               | 250,000             | 241,015    |
| Minnesota State Municipal Power Agency Electric Revenue Series A 5.00% 10/1/34                                 | 4,500,000           | 3,997,620  |
| 5.25% 10/1/19  | 1,610,000           | 1,612,045  |
| Southern Minnesota Municipal Power Agency Supply System Revenue Series A 5.25% 1/1/14 (AMBAC)                  | 14,000,000          | 14,841,260 |
| 5.25% 1/1/15 (AMBAC)   | 3,000,000           | 3,185,010  |
| 5.25% 1/1/16 (AMBAC)   | 1,500,000           | 1,588,845  |
| Western Minnesota Municipal Power Agency Supply Revenue Series A 5.00% 1/1/30 (MBIA)                           | 6,790,000           | 6,208,097  |

|                                      |           |            |
|--------------------------------------|-----------|------------|
|                                      |           | 31,673,892 |
| Escrowed to Maturity Bonds □ 17.90%  |           |            |
| Dakota-Washington Counties           |           |            |
| Housing & Redevelopment              |           |            |
| Authority Revenue                    |           |            |
| (Bloomington Single Family           |           |            |
| Residential Mortgage)                |           |            |
| 8.375% 9/1/21 (GNMA)                 |           |            |
| (FHA) (VA) (AMT)                     | 8,055,000 | 10,222,762 |
| Southern Minnesota Municipal         |           |            |
| Power Agency Supply System           |           |            |
| Revenue Series B                     |           |            |
| 5.75% 1/1/11 (FGIC)                  | 770,000   | 790,282    |
| Refunding 5.50% 1/1/15 (AMBAC)       | 390,000   | 405,085    |
| St. Paul Housing & Redevelopment     |           |            |
| Authority Sales Tax                  |           |            |
| (Civic Center Project)               |           |            |
| 5.55% 11/1/23                        | 2,300,000 | 2,365,412  |
| 5.55% 11/1/23 (MBIA)                 | 4,200,000 | 4,319,448  |
| University of Minnesota Hospital &   |           |            |
| Clinics 6.75% 12/1/16                | 2,580,000 | 2,938,362  |
| University of Minnesota Series A     |           |            |
| 5.50% 7/1/21                         | 4,000,000 | 4,262,080  |
| Western Minnesota Municipal          |           |            |
| Power Agency Supply Revenue          |           |            |
| Series A 6.625% 1/1/16               | 1,535,000 | 1,721,303  |
|                                      |           | 27,024,734 |
| Health Care Revenue Bonds □ 14.25%   |           |            |
| Bemidji Health Care Facilities First |           |            |
| Mortgage Revenue (North              |           |            |
| Country Health Services)             |           |            |
| 5.00% 9/1/24 (RADIAN)                | 1,500,000 | 1,353,180  |
| Glencoe Health Care Facilities       |           |            |
| Revenue (Glencoe Regional            |           |            |
| Health Services Project)             |           |            |
| 5.00% 4/1/25                         | 2,000,000 | 1,706,280  |
| Maple Grove Health Care              |           |            |
| Facilities Revenue                   |           |            |
| (Maple Grove Hospital)               |           |            |
| 5.25% 5/1/37                         | 1,750,000 | 1,501,605  |
| (North Memorial Health Care)         |           |            |
| 5.00% 9/1/29                         | 1,515,000 | 1,324,307  |

10

|                                       | Principal    |              |
|---------------------------------------|--------------|--------------|
|                                       | Amount       | Value        |
| <b>Municipal Bonds (continued)</b>    |              |              |
| Health Care Revenue Bonds (continued) |              |              |
| Minneapolis Health Care               |              |              |
| System Revenue (Fairview              |              |              |
| Health Services) Series D             |              |              |
| 5.00% 11/15/34 (AMBAC)                | \$ 3,250,000 | \$ 2,796,982 |
| Minnesota Agricultural & Economic     |              |              |
| Development Board Revenue             |              |              |
| Un-Refunded Balance (Fairview         |              |              |
| Health Care System) Series A          |              |              |
| 5.75% 11/15/26 (MBIA)                 | 100,000      | 100,273      |
| 6.375% 11/15/29                       | 195,000      | 197,369      |
| North Oaks Senior Housing             |              |              |
| Revenue (Presbyterian Homes)          |              |              |
| 6.25% 10/1/47                         | 1,500,000    | 1,353,915    |



Edgar Filing: DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC - Form N-CSR

|  |   |   |
|--|---|---|
| Northfield Hospital Revenue  |   |   |
| 5.375% 11/1/31   | 750,000   | 633,255   |
| <b>Shakopee Health Care Facilities</b>   |   |   |
| Revenue (St. Francis Regional Medical Center) 5.25% 9/1/34   | 1,560,000   | 1,301,789   |
| <b>St. Louis Park Health Care Facilities Revenue Refunding (Park Nicollet Health Services) Series C 5.50% 7/1/23</b>   | 1,000,000   | 942,070   |
| <b>St. Paul Housing &amp; Redevelopment Authority Health Care Facilities Revenue (Allina Health System) Series A 5.00% 11/15/18 (MBIA) (Health Partners Obligation Group Project) 5.25% 5/15/36 (Regions Hospital Project) 5.30% 5/15/28</b>                               | 1,000,000   | 872,920   |
| <b>St. Paul Housing &amp; Redevelopment Authority Revenue (Franciscan Health Project-Elderly) 5.40% 11/20/42 (GNMA) (FHA)</b>  | 2,700,000   | 2,528,658   |
| <b>Winona Health Care Facilities Revenue Refunding (Winona Health Obligation Group) 5.00% 7/1/23</b>   | 1,010,000   | 890,265   |
|  |   | 21,511,285  |
| <b>Housing Revenue Bonds □ 9.36%</b>   |   |   |
| <b>Chanhassen Multifamily Housing Revenue Refunding (Heritage Park Apartments Project) 6.20% 7/1/30 (FHA) (AMT) (HUD Section 8)</b>  | 1,105,000   | 1,081,132   |
| <b>Dakota County Housing &amp; Redevelopment Authority Single Family Mortgage Revenue 5.85% 10/1/30 (GNMA) (FNMA) (AMT)</b>  | 11,000  | 10,333  |
| <b>@Harmony Multifamily Housing Revenue Refunding (Zedakah Foundation Project) Series A 5.95% 9/1/20 (HUD Section 8)</b>   | 1,000,000   | 877,750   |
| <b>Minneapolis Multifamily Housing Revenue •(Gaar Scott Loft Project) 5.95% 5/1/30 (AMT) (LOC - U.S Bank N.A.) (Olson Townhomes Project) 6.00% 12/1/19 (AMT) (Seward Towers Project) 5.00% 5/20/36 (GNMA) (Sumner Housing Project) Series A 5.15% 2/20/45 (GNMA) (AMT)</b> | 3,575,000   | 2,917,271   |
| <b>•Minnesota Housing Finance Agency Residential Housing Series D 4.75% 7/1/32 (AMT)</b>   | 1,000,000   | 788,580   |
| <b>Minnesota State Housing Finance Agency Revenue (Rental Housing) Series A 5.00% 2/1/35 (AMT) Series D 5.95% 2/1/18 (MBIA) (Residential Housing) Series B-1 5.35% 1/1/33 (AMT) Series I 5.15% 7/1/38 (AMT) (Single Family Mortgage) Series J 5.90% 7/1/28 (AMT)</b>       | 1,000,000<br>130,000<br>1,770,000<br>1,000,000<br>935,000 | 811,950<br>130,277<br>1,548,325<br>839,180<br>887,100 |

|  |           |            |
|--|-----------|------------|
| Washington County Housing & Redevelopment Authority Revenue Refunding (Woodland Park Apartments Project)           |           |            |
| 4.70% 10/1/32  | 750,000   | 664,733    |
|  |           | 14,134,147 |
| <b>Lease Revenue Bonds</b> □ 9.56%   |           |            |
| Andover Economic Development Authority Public Facilities Lease Revenue (Andover Community Center)                  |           |            |
| 5.125% 2/1/24  | 202,294   | 215,268    |
| 5.20% 2/1/29   | 402,370   | 432,804    |
| <b>Puerto Rico Public Buildings Authority Revenue Un-Refunded Balance (Guaranteed Government Facilities Bonds)</b> |           |            |
| Series D 5.25% 7/1/27  | 530,000   | 480,026    |
| <b>St. Paul Port Authority Lease Revenue (Cedar Street Office Building Project)</b>                                |           |            |
| 5.00% 12/1/22  | 2,385,000 | 2,330,884  |
| 5.25% 12/1/27 (Robert Street Office Building Project)  | 4,800,000 | 4,697,472  |
| Series 3-11 5.00% 12/1/27  | 3,045,000 | 2,910,929  |
| Series 9 5.25% 12/1/27   | 2,000,000 | 1,957,280  |

(continues) 11

## Statements of net assets

### Delaware Investments Minnesota Municipal Income Fund II, Inc.

|   | Principal Amount | Value      |
|---|------------------|------------|
| <b>Municipal Bonds (continued)</b>  |                  |            |
| <b>Lease Revenue Bonds (continued)</b>  |                  |            |
| Virginia Housing & Redevelopment Authority Health Care Facility Lease Revenue   |                  |            |
| 5.25% 10/1/25   | \$ 680,000       | \$ 590,777 |
| 5.375% 10/1/30  | 965,000          | 817,944    |
|   |                  | 14,433,384 |
| <b>Local General Obligation Bonds</b> □ 22.70%  |                  |            |
| Anoka-Hennepin Minnesota Independent School District #11 Refunding Series A 5.00% 2/1/17                                    | 1,000,000        | 1,055,360  |
| Centennial Independent School District #12 Series A 5.00% 2/1/20 (FSA)  | 800,000          | 833,752    |
| Dakota County Community Development Agency Governmental Housing Refunding (Senior Housing Facilities) Series A 5.00% 1/1/23 | 1,100,000        | 1,070,410  |
| Duluth Independent School District #709 Revenue   |                  |            |

Edgar Filing: DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC - Form N-CSR

|   |           |            |
|---|-----------|------------|
| Certificates of Participation Series A 4.25% 2/1/20 (FSA)   | 1,000,000 | 948,680    |
| Farmington Independent School District #192 Series A 5.00% 2/1/23 (FSA)   | 2,280,000 | 2,234,149  |
| Series B 5.00% 2/1/27 (FSA)   | 1,500,000 | 1,457,805  |
| Hennepin County Regional Railroad Authority 5.00% 12/1/26   | 2,000,000 | 1,953,200  |
| Hennepin County Series B 5.00% 12/1/18  | 2,300,000 | 2,350,968  |
| Metropolitan Council Minneapolis-St. Paul Metropolitan Area Waste Water Treatment Series C 5.00% 3/1/28                               | 500,000   | 489,640    |
| Minneapolis Refunding (Sports Arena Project) 5.125% 10/1/20   | 750,000   | 750,915    |
| Minneapolis Special School District #1 5.00% 2/1/19 (FSA)   | 1,175,000 | 1,192,296  |
| Moorhead Economic Development Authority Tax Increment Revenue Series A 5.25% 2/1/25 (MBIA)  | 1,000,000 | 1,002,760  |
| Moorhead Improvement Series B 5.00% 2/1/33 (MBIA)   | 3,250,000 | 3,066,440  |
| Morris Independent School District #769 5.00% 2/1/28 (MBIA)   | 3,750,000 | 3,924,038  |
| Mounds View Independent School District #621 Series A 5.00% 2/1/23 (FSA)  | 2,020,000 | 1,999,497  |
| Robbinsdale Independent School District #281 5.00% 2/1/21 (FSA)   | 500,000   | 501,030    |
| St. Michael Independent School District #885 5.00% 2/1/22 (FSA)   | 2,000,000 | 2,084,380  |
| 5.00% 2/1/24 (FSA)  | 1,125,000 | 1,172,464  |
| Washington County Housing & Redevelopment Authority Refunding Series B 5.50% 2/1/22 (MBIA)  | 1,705,000 | 1,707,950  |
| 5.50% 2/1/32 (MBIA)   | 2,140,000 | 2,082,263  |
| Willmar (Rice Memorial Hospital Project) 5.00% 2/1/32 (FSA)   | 2,500,000 | 2,393,600  |
|   |           | 34,271,597 |
| <b>§Pre-Refunded Bonds □ 22.53%</b>   |           |            |
| Andover Economic Development Authority Public Facilities Lease Revenue (Andover Community Center) 5.125% 2/1/24-14                    | 291,106   | 309,777    |
| 5.20% 2/1/29-14   | 579,021   | 622,816    |
| Duluth Economic Development Authority Health Care Facilities Revenue (Benedictine Health System-St. Mary's Hospital) 5.25% 2/15/33-14 | 5,000,000 | 5,396,649  |
| Metropolitan Council Minneapolis-St. Paul Metropolitan Area Transportation Revenue Series C 5.00% 2/1/22-11                           | 1,000,000 | 1,040,320  |
| Minneapolis Community Development Agency (Limited Tax Common Bond Fund) Series G-1 5.70% 12/1/19-11                                   | 1,100,000 | 1,170,290  |
| Series G-3 5.45% 12/1/31-11   | 1,000,000 | 1,065,140  |
| Minneapolis Health Care   |           |            |

Edgar Filing: DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC - Form N-CSR

|  |           |           |
|--|-----------|-----------|
| System Revenue<br>(Allina Health Systems) Series A<br>5.75% 11/15/32-12  | 3,200,000 | 3,497,984 |
| (Fairview Health Services) Series A<br>5.625% 5/15/32-12   | 2,750,000 | 2,984,190 |
| Minnesota Agricultural & Economic<br>Development Board Revenue<br>(Fairview Health Care System)<br>Series A 6.375% 11/15/29-10 | 6,105,000 | 6,626,732 |
| Puerto Rico Commonwealth<br>Highway & Transportation<br>Authority Revenue Series D<br>5.25% 7/1/38-12                          | 1,000,000 | 1,067,700 |
| Puerto Rico Commonwealth Public<br>Improvement Revenue Series A<br>5.00% 7/1/27-12   | 1,250,000 | 1,326,863 |
| Puerto Rico Public Buildings<br>Authority Revenue (Guaranteed<br>Government Facilities) Series D<br>5.25% 7/1/27-12            | 1,470,000 | 1,553,555 |

12

|  | Principal<br>Amount | Value      |
|--|---------------------|------------|
| <b>Municipal Bonds (continued)</b>   |                     |            |
| §Pre-Refunded Bonds (continued)  |                     |            |
| Rochester Electric Utility Revenue<br>5.25% 12/1/30-10 (AMBAC)   | \$ 600,000          | \$ 632,670 |
| Southern Minnesota Municipal<br>Power Agency Supply<br>Revenue Refunding Series A<br>5.75% 1/1/18-13                 | 3,715,000           | 3,889,642  |
| St. Louis Park Health Care<br>Facilities Revenue (Park Nicollet<br>Health Services) Series B<br>5.25% 7/1/30-14      | 1,250,000           | 1,351,850  |
| Waconia Health Care Facilities<br>Revenue (Ridgeview Medical<br>Center Project) Series A<br>6.10% 1/1/19-10 (RADIAN) | 1,405,000           | 1,467,565  |
|  |                     | 34,003,743 |
| Special Tax Revenue Bonds □ 4.43%  |                     |            |
| Minneapolis Art Center Facilities<br>Revenue (Walker Art Center<br>Project) 5.125% 7/1/21                            | 4,250,000           | 4,250,722  |
| Minneapolis Community<br>Development Agency<br>Supported Common Bond Fund<br>Series 5 5.70% 12/1/27                  | 375,000             | 372,848    |
| Minneapolis Development Revenue<br>(Limited Tax Supported<br>Common Bond Fund) Series 1<br>5.50% 12/1/24 (AMT)       | 1,000,000           | 926,090    |

Edgar Filing: DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC - Form N-CSR

|   |           |                    |
|---|-----------|--------------------|
| Puerto Rico Commonwealth                      |           |                    |
| Infrastructure Financing                      |           |                    |
| Authority Special Tax Revenue                 |           |                    |
| Series B 5.00% 7/1/46                         | 800,000   | 673,448            |
| Virgin Islands Public Finance                 |           |                    |
| Authority Revenue (Senior Lien                |           |                    |
| Matching Fund Loan Notes)                     |           |                    |
| Series A 5.25% 10/1/23                        | 500,000   | 454,950            |
|   |           | 6,678,058          |
| <b>State General Obligation Bonds</b> □ 3.30% |           |                    |
| Puerto Rico Commonwealth Public               |           |                    |
| Improvement Refunding Series A                |           |                    |
| 5.00% 7/1/16 (Assured Gty)                    | 750,000   | 762,473            |
| 5.25% 7/1/15                                  | 1,100,000 | 1,113,310          |
| 5.50% 7/1/17                                  | 1,100,000 | 1,109,405          |
| Refunding 5.50% 7/1/19 (MBIA)                 | 1,000,000 | 992,700            |
| Puerto Rico Government                        |           |                    |
| Development Bank Senior                       |           |                    |
| Notes Series B 5.00% 12/1/14                  |           |                    |
|   | 1,000,000 | 1,006,630          |
|   |           | 4,984,518          |
| <b>Transportation Revenue Bonds</b> □ 7.86%   |           |                    |
| Minneapolis-St. Paul Metropolitan             |           |                    |
| Airports Commission Revenue                   |           |                    |
| Series A                                      |           |                    |
| 5.00% 1/1/22 (MBIA)                           | 3,000,000 | 2,887,200          |
| 5.00% 1/1/28 (MBIA)                           | 2,120,000 | 1,964,053          |
| 5.25% 1/1/16 (MBIA)                           | 1,000,000 | 1,035,320          |
| Series B                                      |           |                    |
| 5.00% 1/1/35 (AMBAC)                          | 2,000,000 | 1,820,480          |
| 5.25% 1/1/24 (FGIC) (AMT)                     | 1,000,000 | 885,390            |
| St. Paul Housing & Redevelopment              |           |                    |
| Authority Parking Revenue                     |           |                    |
| (Block 19 Ramp Project)                       |           |                    |
| Series A 5.35% 8/1/29 (FSA)                   | 3,350,000 | 3,271,643          |
|   |           | 11,864,086         |
| <b>Total Municipal Bonds</b>                  |           |                    |
| (cost \$225,454,462)                          |           | <b>218,458,918</b> |
| <b>•Short-Term Investment</b> □ 0.20%         |           |                    |
| Variable Rate Demand Note □ 0.20%             |           |                    |
| St. Paul Housing & Redevelopment              |           |                    |
| Authority Revenue                             |           |                    |
| (Pur-Cretin-Derham Hall Project)              |           |                    |
| 8.07% 2/1/26                                  | 300,000   | 300,000            |
| <b>Total Short-Term Investment</b>            |           |                    |
| (cost \$300,000)                              |           | <b>300,000</b>     |
| <b>Total Value of Securities</b> □ 144.92%    |           |                    |
| (cost \$225,754,462)                          |           | <b>218,758,918</b> |
| <b>Receivables and Other Assets</b>           |           |                    |
| <b>Net of Liabilities</b> □ 18.01%z           |           | <b>27,191,459</b>  |

**Liquidation Value of Preferred Stock** □ (62.93%) **(95,000,000)**

Net Assets Applicable to 11,504,975

**Shares Outstanding** □ 100.00% **\$ 150,950,377**

Net Asset Value Per Common Share  
 (\$150,950,377 / 11,504,975 Shares) **\$ 13.12**

**Components of Net Assets at September 30, 2008:**

|  |                       |
|--|-----------------------|
| Common stock, \$0.01 par value, 200 million shares<br>authorized to the Fund | \$ 158,750,422        |
| Distributions in excess of net investment income                             | (39,949)              |
| Accumulated net realized loss on investments                                 | (764,552)             |
| Net unrealized depreciation of investments                                   | (6,995,544)           |
| <b>Total net assets</b>  | <b>\$ 150,950,377</b> |

§Pre-Refunded bonds. Municipals that are generally backed or secured by U.S. Treasury bonds. For pre-refunded bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 8 in □Notes to financial statements.□

•Variable rate security. The rate shown is the rate as of September 30, 2008.

zOf this amount, \$42,418,567 represents receivables for securities sold and \$18,400,524 represents payables for securities purchased as of September 30, 2008.

@Illiquid Security. At September 30, 2008 the aggregate amount of illiquid securities was \$877,750, which represented 0.58% of the Fund□s net assets. See Note 8 in □Notes to financial statements.□

(continues) 13

## Statements of net assets

Delaware Investments Minnesota Municipal Income Fund II, Inc.

**Summary of Abbreviations:**

- AMBAC □ Insured by the AMBAC Assurance Corporation
- AMT □ Subject to Alternative Minimum Tax
- Assured Gty □ Insured by Assured Guaranty Corporation
- FGIC □ Insured by the Financial Guaranty Insurance Company
- FHA □ Insured by the Federal Housing Administration
- FNMA □ Insured by Federal National Mortgage Association
- FSA □ Insured by Financial Security Assurance
- GNMA □ Insured by Government National Mortgage Association
- HUD □ Housing and Urban Development
- LOC □ Letter of Credit
- MBIA □ Insured by the Municipal Bond Insurance Association
- RADIAN □ Insured by Radian Asset Assurance
- VA □ Insured by the Veterans Administration

See accompanying notes

**Delaware Investments National Municipal Income Fund**

September 30, 2008 (Unaudited)

|  | Principal<br>Amount | Value      |
|--|---------------------|------------|
| <b>Municipal Bonds</b> □ 151.63%   |                     |            |
| Corporate-Backed Revenue Bonds □ 7.66%   |                     |            |
| •Brazos, Texas Harbor Industrial<br>Development Environmental<br>Facilities Revenue (Dow Chemical<br>Project) 5.90% 5/1/38                           | \$ 250,000          | \$ 221,390 |
| •Chesapeake, Virginia Economic<br>Development Authority Pollution<br>Control Revenue (Virginia<br>Electric & Power Project) Series A<br>3.60% 2/1/32 | 500,000             | 490,625    |
| Iowa Finance Authority Pollution<br>Control Facilities Revenue<br>Refunding (Interstate Power)<br>5.00% 7/1/14 (FGIC)                                | 500,000             | 491,875    |
| Jasper County, Indiana Pollution<br>Control Revenue Refunding<br>Series B 5.60% 11/1/16 (MBIA)   | 265,000             | 261,468    |
| Tobacco Settlement Financing<br>Revenue, New York<br>(Asset-Backed) Series A-1<br>5.25% 6/1/21 (AMBAC)   | 500,000             | 496,309    |
| Tobacco Settlement Revenue<br>Management Authority,<br>South Carolina Refunding<br>5.00% 6/1/18  | 295,000             | 283,153    |
|  |                     | 2,244,820  |
| Education Revenue Bonds □ 3.45%  |                     |            |
| California Statewide Communities<br>Development Authority<br>Student Housing Revenue<br>(Irvine, LLC - UCI East Campus)<br>6.00% 5/15/23             | 470,000             | 460,562    |
| Marietta, Georgia Development<br>Authority Revenue Refunding<br>(Life University Income Project)<br>7.00% 6/15/39                                    | 230,000             | 211,612    |
| Maryland State Economic<br>Development Student Housing<br>Revenue (University of<br>Maryland College Park Projects)<br>5.75% 6/1/33                  | 370,000             | 339,046    |
|  |                     | 1,011,220  |
| Electric Revenue Bond □ 3.22%  |                     |            |

Edgar Filing: DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC - Form N-CSR

|                                      |           |           |
|--------------------------------------|-----------|-----------|
| JEA Florida Electric Systems Revenue |           |           |
| Series 3-A 5.00% 10/1/34 (FSA)       | 1,000,000 | 944,460   |
|                                      |           | 944,460   |
| Health Care Revenue Bonds □ 20.91%   |           |           |
| Albany, New York Industrial          |           |           |
| Development Agency Civic             |           |           |
| Facility Revenue (St. Peter's        |           |           |
| Hospital Project) Series A           |           |           |
| 5.25% 11/15/32                       | 500,000   | 425,970   |
| Allegheny County, Pennsylvania       |           |           |
| Hospital Development Authority       |           |           |
| Revenue (University of Pittsburgh    |           |           |
| Medical Center) Series A             |           |           |
| 5.00% 9/1/14                         | 500,000   | 507,655   |
| Arizona Health Facilities Authority  |           |           |
| Revenue (Banner Health) Series A     |           |           |
| 5.00% 1/1/17                         | 310,000   | 306,063   |
| Escambia County, Florida Health      |           |           |
| Facilities Authority                 |           |           |
| (VHA Loan Program)                   |           |           |
| 5.95% 7/1/20 (AMBAC)                 | 355,000   | 360,392   |
| Lee Memorial Health System Board     |           |           |
| of Directors Florida Revenue         |           |           |
| Refunding Series A                   |           |           |
| 5.00% 4/1/20 (FSA)                   | 1,000,000 | 986,670   |
| •Maryland State Health & Higher      |           |           |
| Education Facilities Authority       |           |           |
| Revenue (Johns Hopkins Health        |           |           |
| Systems) 5.00% 5/15/48               |           |           |
| 115,000                              |           | 119,123   |
| Massachusetts State Health &         |           |           |
| Education Facilities Authority       |           |           |
| Revenue (Caregroup) Refunding        |           |           |
| Series E-2 5.375% 7/1/19             | 500,000   | 491,355   |
| Ohio State Higher Education Facility |           |           |
| Commission Revenue (Cleveland        |           |           |
| Clinic Health System Obligation      |           |           |
| Group) Series A 5.25% 1/1/21         |           |           |
| 475,000                              |           | 460,361   |
| Orange County, Florida Health        |           |           |
| Facilities Authority Revenue         |           |           |
| (Orlando Regional Healthcare)        |           |           |
| Series A 6.25% 10/1/18 (MBIA)        | 2,000,000 | 2,142,999 |
| Scottsdale, Arizona Industrial       |           |           |
| Development Authority                |           |           |
| Hospital Revenue Refunding           |           |           |
| (Scottsdale Healthcare)              |           |           |
| Series A 5.00% 9/1/23                | 360,000   | 324,821   |
|                                      |           | 6,125,409 |
| Housing Revenue Bonds □ 14.78%       |           |           |
| California Housing Finance Agency    |           |           |
| Revenue (Home Mortgage)              |           |           |
| Series M 5.95% 8/1/25 (AMT)          | 250,000   | 238,038   |



|                                     |           |           |
|-------------------------------------|-----------|-----------|
| Florida Housing Finance Agency      |           |           |
| (Homeowner Mortgage) Series 2       |           |           |
| 5.90% 7/1/29 (MBIA) (AMT)           | 330,000   | 333,746   |
| Leigh Meadows Apartments)           |           |           |
| Series N 6.30% 9/1/36 (AMBAC)       |           |           |
| (AMT) (HUD Section 8)               | 2,510,000 | 2,439,267 |
| Volusia County, Florida Multifamily |           |           |
| Housing Finance Authority           |           |           |
| (San Marco Apartments) Series A     |           |           |
| 5.60% 1/1/44 (FSA) (AMT)            | 1,500,000 | 1,317,270 |
|                                     |           | 4,328,321 |
| Lease Revenue Bonds □ 20.02%        |           |           |
| Broward County, Florida School      |           |           |
| Board Certificates of Participation |           |           |
| Series A 5.25% 7/1/24 (FSA)         | 1,000,000 | 955,530   |
| Florida State Municipal Loan        |           |           |
| Council Revenue Series A            |           |           |
| 5.00% 2/1/35 (MBIA)                 | 2,000,000 | 1,792,620 |

(continues) 15

## Statements of net assets

### Delaware Investments National Municipal Income Fund

|  | Principal<br>Amount | Value      |
|--|---------------------|------------|
| <b>Municipal Bonds (continued)</b>     |                     |            |
| Lease Revenue Bonds (continued)        |                     |            |
| New York State Dormitory Authority     |                     |            |
| Revenues State Supported               |                     |            |
| Debt (Mental Health Services           |                     |            |
| Facilities Improvement) Series B       |                     |            |
| 5.00% 2/15/19 (FSA)                    | \$ 550,000          | \$ 553,548 |
| Orange County, Florida School          |                     |            |
| Board Certificates of Participation    |                     |            |
| Series A 5.00% 8/1/27 (MBIA)           | 1,250,000           | 1,160,550  |
| Palm Beach County, Florida School      |                     |            |
| Board Certificates of Participation    |                     |            |
| Series D 5.00% 8/1/28 (FSA)            | 1,500,000           | 1,403,130  |
|  |                     | 5,865,378  |
| Local General Obligation Bonds □ 9.64% |                     |            |
| Harris County, Texas Flood Control     |                     |            |
| District Refunding Series A            |                     |            |
| 5.25% 10/1/18                          | 1,000,000           | 1,043,900  |
| New York City, New York Fiscal 2009    |                     |            |
| Sub-Series A-1 5.25% 8/15/21           | 250,000             | 248,783    |
| Northside, Texas Independent School    |                     |            |
| District 5.25% 8/15/21                 |                     |            |

Edgar Filing: DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC - Form N-CSR

|  |           |           |
|--|-----------|-----------|
| (PSF Guaranteed)   | 1,000,000 | 1,015,960 |
| Waco, Texas Independent<br>School District Refunding<br>5.25% 8/15/19 (PSF Guaranteed)                                 | 500,000   | 514,730   |
|  |           | 2,823,373 |
| <b>§Pre-Refunded Bonds □ 9.05%</b>   |           |           |
| Florida State Board of Education<br>(Capital Outlay Public Education)<br>Series C 6.00% 6/1/21-10 (FGIC)               | 1,000,000 | 1,066,110 |
| Puerto Rico Commonwealth<br>Highway & Transportation<br>Authority Revenue Series K<br>5.00% 7/1/40-15                  | 500,000   | 536,180   |
| Tampa, Florida Utility Tax<br>Improvement Series A<br>6.125% 10/1/19-09 (AMBAC)  | 1,000,000 | 1,047,530 |
|  |           | 2,649,820 |
| <b>Special Tax Revenue Bonds □ 26.52%</b>  |           |           |
| Florida State Department of<br>Transportation (Right of Way)<br>5.00% 7/1/31 (FGIC)                                    | 1,525,000 | 1,451,266 |
| Jacksonville, Florida Sales Tax<br>Revenue (Better Jacksonville)<br>5.00% 10/1/30 (MBIA)                               | 1,500,000 | 1,434,450 |
| Jacksonville, Florida Transportation<br>Revenue 5.25% 10/1/29 (MBIA)   | 2,000,000 | 1,979,919 |
| ΩMiami-Dade County, Florida<br>Special Obligation (Capital<br>Appreciation & Income) Series B<br>5.00% 10/1/35 (MBIA)  | 2,000,000 | 1,563,080 |
| New York State Toll Way Authority<br>(State Personal Income Tax<br>Revenue - Transportation)<br>Series A 5.00% 3/15/22 | 425,000   | 419,178   |
| Seminole County, Florida Sales<br>Tax Revenue Series A<br>5.00% 10/1/31 (MBIA)   | 1,000,000 | 920,510   |
|  |           | 7,768,403 |
| <b>State General Obligation Bonds □ 5.10%</b>  |           |           |
| Puerto Rico Commonwealth<br>Refunding (Public Improvement)<br>Series A<br>5.00% 7/1/16 (Assured Gty)                   | 250,000   | 254,158   |
| 5.50% 7/1/19 (MBIA)  | 1,250,000 | 1,240,875 |
|  |           | 1,495,033 |
| <b>Transportation Revenue Bonds □ 13.09%</b>   |           |           |
| Florida Ports Financing Commission<br>Revenue (State Transportation<br>Trust Fund) 5.375% 6/1/27<br>(MBIA) (AMT)       | 1,000,000 | 874,860   |
| Miami-Dade County, Florida   |           |           |

|  |           |                   |
|--|-----------|-------------------|
| Aviation Revenue (Miami International Airport) Series B<br>5.00% 10/1/37 (FGIC)                      | 1,960,000 | 1,721,291         |
| North Texas Tollway Authority<br>Revenue (First Tier) Refunding<br>Series A 6.00% 1/1/19             | 500,000   | 523,055           |
| Triborough, New York Bridge &<br>Tunnel Authority<br>Series A 5.00% 11/15/17                         | 335,000   | 349,931           |
| •Series B-3 5.00% 11/15/38   | 350,000   | 365,166           |
|  |           | 3,834,303         |
| <b>Water &amp; Sewer Revenue Bonds</b> □ 18.19%  |           |                   |
| Arizona Water Quality Infrastructure<br>Finance Authority Series A<br>5.00% 10/1/19                  | 500,000   | 517,920           |
| California State Department Water<br>Resources (Central Valley Project)<br>Series AE 5.00% 12/1/20   | 450,000   | 460,085           |
| Cape Coral, Florida Water &<br>Sewer Revenue<br>4.75% 10/1/31 (AMBAC)                                | 1,000,000 | 876,760           |
| JEA Florida Water & Sewer Systems<br>Revenue Sub-Second Crossover<br>Series B 5.00% 10/1/25 (MBIA)   | 1,000,000 | 941,020           |
| Riviera Beach, Florida Utility Special<br>District Water & Sewer Revenue<br>5.00% 10/1/34 (FGIC)     | 1,200,000 | 1,031,747         |
| Village Center Community<br>Development District, Florida<br>Utility Revenue<br>5.00% 10/1/36 (MBIA) | 670,000   | 582,103           |
| Winter Haven, Florida Utility Systems<br>Revenue 5.00% 10/1/30 (MBIA)                                | 1,000,000 | 919,900           |
|  |           | 5,329,535         |
| <b>Total Municipal Bonds</b><br>(cost \$47,629,193)  |           | <b>44,420,075</b> |

16

|   | Principal<br>Amount | Value    |
|---|---------------------|----------|
| <b>•Short-Term Investments</b> □ 5.29%  |                     |          |
| Variable Rate Demand Notes □ 5.29%  |                     |          |
| Allegheny County, Pennsylvania<br>Industrial Development Authority<br>Revenue (Oakland Catholic High<br>School Project) 8.25% 6/1/38<br>(LOC □ PNC Bank N.A.) | \$ 250,000          | \$50,000 |
| Colorado Educational & Cultural   |                     |          |

|   |         |                  |
|---|---------|------------------|
| Facilities Authority (National Jewish Federation)   |         |                  |
| Series D-3 4.25% 12/1/37 (LOC - JP Morgan Chase Bank)   | 200,000 | 200,000          |
| Series D-6 4.25% 9/1/38 (LOC □ JP Morgan Chase Bank)  | 500,000 | 500,000          |
| Massachusetts State Health & Educational Facilities Authority (Harvard University) Series R 3.75% 11/1/49 | 600,000 | 600,000          |
| <b>Total Short-Term Investments</b><br>(cost \$1,550,000)   |         | <b>1,550,000</b> |

|   |  |                     |
|---|--|---------------------|
| <b>Total Value of Securities</b> □ 156.92%<br>(cost \$49,179,193)     |  | <b>45,970,075</b>   |
| <b>Receivables and Other Assets</b>                                   |  |                     |
| <b>Net of Liabilities</b> □ 11.35% <sup>z</sup>                       |  | <b>3,324,366</b>    |
| <b>Liquidation Value of Preferred Stock</b> □ (68.27%)                |  | <b>(20,000,000)</b> |
| <b>Net Assets Applicable to</b>                                       |  | <b>2,422,200</b>    |
| <b>Shares Outstanding</b> □ 100.00%                                   |  | <b>29,294,441</b>   |
| Net Asset Value Per Common Share<br>(\$29,294,441 / 2,422,200 Shares) |  | \$12.09             |

**Components of Net Assets at September 30, 2008:**

|   |  |                   |
|---|--|-------------------|
| Common stock, \$0.01 par value, unlimited shares authorized to the Fund |  | 33,300,621        |
| Distributions in excess of net investment income                        |  | (13,608)          |
| Accumulated net realized loss on investments                            |  | (783,454)         |
| Net unrealized depreciation of investments                              |  | (3,209,118)       |
| <b>Total net assets</b>   |  | <b>29,294,441</b> |

ΩStep coupon bond. Indicates security that has a zero coupon that remains in effect until a predetermined date at which time the stated interest rate becomes effective.

§Pre-Refunded bonds. Municipals that are generally backed or secured by U.S. Treasury bonds. For pre-refunded bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 8 in □Notes to financial statements.□

•Variable rate security. The rate shown is the rate as of September 30, 2008.

<sup>z</sup>Of this amount, \$3,006,598 represents receivables for securities sold as of September 30, 2008.

**Summary of Abbreviations:**

AMBAC □ Insured by the AMBAC Assurance Corporation  
 AMT □ Subject to Alternative Minimum Tax  
 Assured Gty □ Insured by Assured Guaranty Corporation  
 FGIC □ Insured by the Financial Guaranty Insurance Company  
 FSA □ Insured by Financial Security Assurance  
 HUD □ Housing and Urban Development  
 LOC □ Letter of Credit  
 MBIA □ Insured by the Municipal Bond Insurance Association  
 PSF □ Permanent School Fund  
 VHA □ Veterans Health Administration

See accompanying notes

17

# Statements of operations

## Delaware Investments Closed-End Municipal Bond Funds

Six Months Ended September 30, 2008 (Unaudited)

|   | Delaware<br>Investments<br>Arizona<br>Municipal<br>Income<br>Fund, Inc. | Delaware<br>Investments<br>Colorado<br>Municipal<br>Income<br>Fund, Inc. | Delaware<br>Investments<br>Minnesota<br>Municipal<br>Income<br>Fund II, Inc. | Delaware<br>Investments<br>National<br>Municipal<br>Income<br>Fund |
|---|---|--|--|--|
| <b>Investment Income:</b>   |   |  |  |  |
| Interest  | \$ 1,555,451  | \$ 2,575,189   | \$ 6,424,846   | \$ 1,243,846   |
| <b>Expenses:</b>  |   |  |  |  |
| Management fees   | 132,685   | 217,369  | 516,499  | 104,846  |
| Interest and related expenses                                     |   |  | 152,154  |  |
| Remarketing agent fees  | 31,772  | 51,389   | 120,729  | 25,846   |
| Legal fees  | 14,345  | 24,151   | 41,493   | 13,846   |
| Accounting and administration expenses                            | 13,269  | 21,737   | 51,652   | 10,846   |
| Reports and statements to shareholders                            | 9,782   | 13,405   | 28,034   | 6,846  |
| Dividend disbursing and transfer agent fees and expenses          | 8,708   | 12,938   | 35,956   | 15,846   |
| Rating agency fees  | 6,713   | 6,400  | 17,081   | 6,846  |
| Audit and tax   | 6,537   | 7,244  | 9,672  | 6,846  |
| Taxes (other than taxes on income)                                | 3,000   | 4,763  | 2,251  |  |
| Pricing fees  | 2,229   | 2,614  | 5,827  | 1,846  |
| Stock exchange fees   | 1,371   | 2,224  | 5,698  | 1,846  |
| Directors'/Trustees' fees   | 1,070   | 1,780  | 4,228  |  |
| Insurance fees  | 722   | 951  | 7,815  |  |
| Custodian fees  | 443   | 646  | 1,399  |  |
| Registration fees   | 254   | 254  | 254  |  |
| Dues and services   | 247   | 647  | 1,448  |  |
| Consulting fees   | 187   | 308  | 738  |  |
| Directors'/Trustees' expenses                                     | 80  | 133  | 315  |  |
|   | 233,414   | 368,953  | 1,003,243  | 195,846  |
| Less expense paid indirectly                                      | (420)   | (606)  | (1,352)  | (846)  |
| Total operating expenses  | 232,994   | 368,347  | 1,001,891  | 194,846  |
| <b>Net Investment Income</b>                                      | 1,322,457   | 2,206,842  | 5,422,955  | 1,049,000  |
| <b>Net Realized and Unrealized Loss on Investments:</b>           |   |  |  |  |
| Net realized loss on investments                                  | (115,854)   | (701,187)  | (815,802)  | (582,846)  |
| Net change in unrealized appreciation/depreciation of investments | (3,066,599)   | (4,190,499)  | (11,537,797)   | (2,487,846)  |
| <b>Net Realized and Unrealized Loss on Investments</b>            | (3,182,453)   | (4,891,686)  | (12,353,599)   | (3,069,846)  |

|   |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
| <b>Dividends on Preferred Stock</b>                         | (419,715)      | (713,832)      | (1,627,191)    | (335,000)      |
| <b>Net Decrease in Net Assets Resulting from Operations</b> | \$ (2,279,711) | \$ (3,398,676) | \$ (8,557,835) | \$ (2,356,000) |

See accompanying notes

18

## Statements of changes in net assets

### Delaware Investments Closed-End Municipal Bond Funds

|   | Delaware Investments<br>Arizona Municipal<br>Income Fund, Inc. |                          | Delaware Investments<br>Colorado Municipal<br>Income Fund, Inc. |                          |
|---|--|--------------------------|---|--------------------------|
|   | Six Months<br>Ended<br>9/30/08<br>(Unaudited)                  | Year<br>Ended<br>3/31/08 | Six Months<br>Ended<br>9/30/08<br>(Unaudited)                   | Year<br>Ended<br>3/31/08 |
| <b>Increase (Decrease) in Net Assets from Operations:</b>         |  |                          |   |                          |
| Net investment income   | \$ 1,322,457   | \$ 2,702,193             | \$ 2,206,842  | \$ 4,531,000             |
| Net realized gain (loss) on investments                           | (115,854)  | (28,897)                 | (701,187)   | 258,000                  |
| Net change in unrealized appreciation/depreciation of investments | (3,066,599)  | (2,303,717)              | (4,190,499)   | (3,201,000)              |
| Dividends on preferred stock                                      | (419,715)  | (999,630)                | (713,832)   | (1,516,000)              |
| Net increase (decrease) in net assets resulting from operations   | (2,279,711)  | (630,051)                | (3,398,676)   | 72,000                   |
| <b>Dividends and Distributions to Common Shareholders from:</b>   |  |                          |   |                          |
| Net investment income   | (894,660)  | (1,819,142)              | (1,709,915)   | (3,482,000)              |
| Net realized gain on investments                                  | 0  | (172,967)                | 0   | (672,000)                |
|   | (894,660)  | (1,992,109)              | (1,709,915)   | (4,154,000)              |
| <b>Net Decrease in Net Assets</b>                                 | <b>(3,174,371)</b>   | <b>(2,622,160)</b>       | <b>(5,108,591)</b>  | <b>(4,082,000)</b>       |
| <b>Net Assets:</b>  |  |                          |   |                          |
| Beginning of period   | 41,293,973   | 43,916,133               | 68,973,100  | 73,055,000               |
| End of period   | \$ 38,119,602  | \$ 41,293,973            | \$ 63,864,509   | \$ 68,973,000            |
| Undistributed (Distributions in excess of) net investment income  | \$ (3,697)   | \$ (15,481)              | \$ (152,248)  | \$ 37,000                |

|   | Delaware Investments<br>Minnesota Municipal<br>Income Fund II, Inc. |                          | Delaware Investments<br>National Municipal<br>Income Fund |                          |
|---|---|--------------------------|---|--------------------------|
|   | Six Months<br>Ended<br>9/30/08<br>(Unaudited)                       | Year<br>Ended<br>3/31/08 | Six Months<br>Ended<br>9/30/08<br>(Unaudited)             | Year<br>Ended<br>3/31/08 |
| <b>Increase (Decrease) in Net Assets from Operations:</b> |   |                          |   |                          |
| Net investment income                                     | \$ 5,422,955  | \$ 11,067,616            | \$ 1,049,097  | \$ 2,200,000             |

|   |                     |                    |                    |                    |
|---|---------------------|--------------------|--------------------|--------------------|
| Net realized gain (loss) on investments                           | (815,802)           | 95,113             | (582,764)          | (2,487,064)        |
| Net change in unrealized appreciation/depreciation of investments | (11,537,797)        | (7,753,436)        | (2,487,064)        | (2,487,064)        |
| Dividends on preferred stock                                      | (1,627,191)         | (3,654,473)        | (335,772)          | (7,753,436)        |
| Net decrease in net assets resulting from operations              | (8,557,835)         | (245,180)          | (2,356,503)        | (1,153,835)        |
| <b>Dividends and Distributions to Common Shareholders from:</b>   |                     |                    |                    |                    |
| Net investment income   | (3,796,642)         | (7,593,284)        | (714,549)          | (1,627,191)        |
| Net realized gain on investments                                  | (3,796,642)         | (7,593,284)        | (714,549)          | (1,627,191)        |
| <b>Net Decrease in Net Assets</b>                                 | <b>(12,354,477)</b> | <b>(7,838,464)</b> | <b>(3,071,052)</b> | <b>(2,810,835)</b> |
| <b>Net Assets:</b>  |                     |                    |                    |                    |
| Beginning of period   | 163,304,854         | 171,143,318        | 32,365,493         | 35,294,441         |
| End of period   | \$ 150,950,377      | \$ 163,304,854     | \$ 29,294,441      | \$ 32,365,493      |
| Distributions in excess of net investment income                  | \$ (39,949)         | \$ (58,932)        | \$ (13,608)        | \$ (13,608)        |

See accompanying notes

19

## Financial highlights

### Delaware Investments Arizona Municipal Income Fund, Inc.

Selected data for each share of the Fund outstanding throughout each period were as follows:

|  | Six Months Ended                    |          |          | Year Ended |          |          |
|--|-------------------------------------|----------|----------|------------|----------|----------|
|  | 9/30/08 <sup>1</sup><br>(Unaudited) | 3/31/08  | 3/31/07  | 3/31/06    | 3/31/05  | 3/31/04  |
| <b>Net asset value, beginning of period</b>            | \$13.850                            | \$14.730 | \$14.730 | \$15.070   | \$15.570 | \$15.480 |
| <b>Income (loss) from investment operations:</b>       |                                     |          |          |            |          |          |
| Net investment income                                  | 0.444                               | 0.906    | 0.932    | 0.951      | 0.956    | 1.020    |
| Net realized and unrealized gain (loss) on investments | (1.073)                             | (0.783)  | 0.160    | (0.177)    | (0.332)  | 0.276    |
| Dividends on preferred stock from:                     |                                     |          |          |            |          |          |
| Net investment income                                  | (0.141)                             | (0.312)  | (0.297)  | (0.232)    | (0.118)  | (0.075)  |
| Net realized gain on investments                       | □                                   | (0.023)  | (0.013)  | (0.002)    | (0.003)  | (0.016)  |
| Total dividends on preferred stock                     | (0.141)                             | (0.335)  | (0.310)  | (0.234)    | (0.121)  | (0.091)  |
| Total from investment operations                       | (0.770)                             | (0.212)  | 0.782    | 0.540      | 0.503    | 1.205    |
| <b>Less dividends and distributions to common</b>      |                                     |          |          |            |          |          |

31

Edgar Filing: DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC - Form N-CSR

**shareholders from:**

|                                   |         |         |         |         |         |         |
|-----------------------------------|---------|---------|---------|---------|---------|---------|
| Net investment income             | (0.300) | (0.610) | (0.750) | (0.860) | (0.960) | (0.960) |
| Net realized gain on investments  |         | (0.058) | (0.032) | (0.020) | (0.043) | (0.155) |
| Total dividends and distributions | (0.300) | (0.668) | (0.782) | (0.880) | (1.003) | (1.115) |

|                                       |          |          |          |          |          |          |
|---------------------------------------|----------|----------|----------|----------|----------|----------|
| <b>Net asset value, end of period</b> | \$12.780 | \$13.850 | \$14.730 | \$14.730 | \$15.070 | \$15.570 |
|---------------------------------------|----------|----------|----------|----------|----------|----------|

|                                    |          |          |          |          |          |          |
|------------------------------------|----------|----------|----------|----------|----------|----------|
| <b>Market value, end of period</b> | \$12.050 | \$12.390 | \$14.790 | \$15.980 | \$15.390 | \$16.560 |
|------------------------------------|----------|----------|----------|----------|----------|----------|

**Total investment return based on:<sup>2</sup>**

|                 |         |          |         |       |         |        |
|-----------------|---------|----------|---------|-------|---------|--------|
| Market value    | (0.37%) | (11.86%) | (2.58%) | 9.74% | (0.78%) | 14.64% |
| Net asset value | (5.47%) | (1.08%)  | 5.26%   | 3.31% | 3.34%   | 7.86%  |

**Ratios and supplemental data:**

|  |          |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|----------|
| Net assets applicable to common shares, end of period (000 omitted)  | \$38,120 | \$41,294 | \$43,916 | \$43,923 | \$44,936 | \$46,429 |
| Ratio of expenses to average net assets applicable to common shares <sup>3</sup>   | 1.12%    | 1.07%    | 1.05%    | 1.03%    | 1.18%    | 1.05%    |
| Ratio of net investment income to average net assets applicable to common shares <sup>3</sup>                                      | 6.38%    | 6.34%    | 6.34%    | 6.28%    | 6.34%    | 6.63%    |
| Ratio of net investment income to average net assets applicable to common shares net of dividends to preferred shares <sup>4</sup> | 4.35%    | 3.99%    | 4.23%    | 4.72%    | 5.54%    | 6.04%    |
| Portfolio turnover   | 5%       | 18%      | 17%      | 2%       | 8%       | 30%      |

**Leverage analysis:**

|   |           |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Value of preferred shares outstanding (000 omitted)             | \$25,000  | \$25,000  | \$25,000  | \$25,000  | \$25,000  | \$25,000  |
| Net asset coverage per share of preferred shares, end of period | \$126,239 | \$132,588 | \$137,832 | \$137,847 | \$139,872 | \$142,858 |
| Liquidation value per share of preferred shares <sup>5</sup>    | \$50,000  | \$50,000  | \$50,000  | \$50,000  | \$50,000  | \$50,000  |

<sup>1</sup> Ratios and portfolio turnover have been annualized and total return has not been annualized.

<sup>2</sup> Total investment return is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed for the purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Generally, total investment return based on net asset value will be higher than total investment return based on market value in periods where there is an increase in the discount or a decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. Conversely, total investment return based on net asset value will be lower than total investment return based on market value in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods.

<sup>3</sup> Ratios do not reflect the effect of dividend payments to preferred shareholders.

<sup>4</sup> Ratio reflects total net investment income less dividends paid to preferred shareholders divided by average net assets applicable to common shareholders.

<sup>5</sup> Excluding any accumulated but unpaid dividends.

See accompanying notes

**Delaware Investments Colorado Municipal Income Fund, Inc.**

Selected data for each share of the Fund outstanding throughout each period were as follows:



## Edgar Filing: DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC - Form N-CSR

|  | Six<br>Months<br>Ended<br>9/30/08 <sup>1</sup><br>(Unaudited) | 3/31/08   | 3/31/07   | Year Ended<br>3/31/06 | 3/31/05   | 3/31/04   |
|--|---|-----------|-----------|-----------------------|-----------|-----------|
| <b>Net asset value, beginning of period</b>  | \$14.260  | \$15.100  | \$15.260  | \$15.580              | \$16.110  | \$15.920  |
| <b>Income (loss) from investment operations:</b>   |   |           |           |                       |           |           |
| Net investment income  | 0.456   | 0.937     | 0.985     | 1.018                 | 1.019     | 1.043     |
| Net realized and unrealized gain (loss) on investments   | (1.015)   | (0.604)   | 0.069     | (0.129)               | (0.432)   | 0.324     |
| Dividends on preferred stock from:   |   |           |           |                       |           |           |
| Net investment income  | (0.148)   | (0.264)   | (0.274)   | (0.213)               | (0.124)   | (0.077)   |
| Net realized gain on investments   | □   | (0.050)   | (0.019)   | (0.006)               | (0.003)   | (0.013)   |
| Total dividends on preferred stock   | (0.148)   | (0.314)   | (0.293)   | (0.219)               | (0.127)   | (0.090)   |
| Total from investment operations   | (0.707)   | 0.019     | 0.761     | 0.670                 | 0.460     | 1.277     |
| <b>Less dividends and distributions to common shareholders from:</b>   |   |           |           |                       |           |           |
| Net investment income  | (0.353)   | (0.720)   | (0.850)   | (0.960)               | (0.960)   | (0.960)   |
| Net realized gain on investments   | □   | (0.139)   | (0.071)   | (0.030)               | (0.030)   | (0.127)   |
| Total dividends and distributions  | (0.353)   | (0.859)   | (0.921)   | (0.990)               | (0.990)   | (1.087)   |
| <b>Net asset value, end of period</b>  | \$13.200  | \$14.260  | \$15.100  | \$15.260              | \$15.580  | \$16.110  |
| <b>Market value, end of period</b>   | \$12.550  | \$15.060  | \$15.940  | \$18.650              | \$17.180  | \$16.960  |
| <b>Total investment return based on:<sup>2</sup></b>   |   |           |           |                       |           |           |
| Market value   | (14.61%)  | (0.14%)   | (9.86%)   | 14.64%                | 7.42%     | 8.76%     |
| Net asset value  | (5.15%)   | (0.19%)   | 4.35%     | 3.44%                 | 2.56%     | 8.05%     |
| <b>Ratios and supplemental data:</b>   |   |           |           |                       |           |           |
| Net assets applicable to common shares, end of period (000 omitted)  | \$63,865  | \$68,973  | \$73,056  | \$73,833              | \$75,364  | \$77,903  |
| Ratio of expenses to average net assets applicable to common shares <sup>3</sup>   | 1.07%   | 1.03%     | 1.01%     | 0.95%                 | 1.03%     | 1.01%     |
| Ratio of net investment income to average net assets applicable to common shares <sup>3</sup>                                      | 6.41%   | 6.37%     | 6.49%     | 6.51%                 | 6.51%     | 6.54%     |
| Ratio of net investment income to average net assets applicable to common shares net of dividends to preferred shares <sup>4</sup> | 4.34%   | 4.23%     | 4.56%     | 5.11%                 | 5.69%     | 5.98%     |
| Portfolio turnover   | 9%  | 16%       | 11%       | 12%                   | 5%        | 13%       |
| <b>Leverage analysis:</b>  |   |           |           |                       |           |           |
| Value of preferred shares outstanding (000 omitted)  | \$40,000  | \$40,000  | \$40,000  | \$40,000              | \$40,000  | \$40,000  |
| Net asset coverage per share of preferred shares, end of period  | \$129,831   | \$136,216 | \$141,320 | \$142,291             | \$144,205 | \$147,379 |
| Liquidation value per share of preferred shares <sup>5</sup>   | \$50,000  | \$50,000  | \$50,000  | \$50,000              | \$50,000  | \$50,000  |

<sup>1</sup> Ratios and portfolio turnover have been annualized and total return has not been annualized.

<sup>2</sup> Total investment return is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed for the purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Generally, total investment return based on net asset value will be higher than total investment return based on market value in periods where there is an increase in the discount or a decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. Conversely, total investment return based on net asset value will be lower than total investment return based on market value in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods.

<sup>3</sup> Ratios do not reflect the effect of dividend payments to preferred shareholders.

<sup>4</sup> Ratio reflects total net investment income less dividends paid to preferred shareholders divided by average net assets applicable to common shareholders.

<sup>5</sup> Excluding any accumulated but unpaid dividends.

See accompanying notes

(continues) 21

## Financial highlights

### Delaware Investments Minnesota Municipal Income Fund II, Inc.

Selected data for each share of the Fund outstanding throughout each period were as follows:

|  | Six<br>Months<br>Ended<br>9/30/08 <sup>1</sup><br>(Unaudited) | 3/31/08  | 3/31/07  | Year Ended<br>3/31/06 | 3/31/05  | 3/31/04  |
|--|---|----------|----------|-----------------------|----------|----------|
| <b>Net asset value, beginning of period</b>            | \$14.190  | \$14.880 | \$14.730 | \$14.890              | \$15.280 | \$15.060 |
| <b>Income (loss) from investment operations:</b>       |   |          |          |                       |          |          |
| Net investment income                                  | 0.471   | 0.962    | 0.963    | 0.971                 | 1.025    | 1.093    |
| Net realized and unrealized gain (loss) on investments | (1.070)   | (0.674)  | 0.225    | 0.012                 | (0.237)  | 0.207    |
| Dividends on preferred stock from:                     |   |          |          |                       |          |          |
| Net investment income                                  | (0.141)   | (0.318)  | (0.298)  | (0.243)               | (0.128)  | (0.082)  |
| Total dividends on preferred stock                     | (0.141)   | (0.318)  | (0.298)  | (0.243)               | (0.128)  | (0.082)  |
| Total from investment operations                       | (0.740)   | (0.030)  | 0.890    | 0.740                 | 0.660    | 1.218    |
| <b>Less dividends to common shareholders from:</b>     |   |          |          |                       |          |          |
| Net investment income                                  | (0.330)   | (0.660)  | (0.740)  | (0.900)               | (1.050)  | (0.998)  |
| Total dividends  | (0.330)   | (0.660)  | (0.740)  | (0.900)               | (1.050)  | (0.998)  |
| <b>Net asset value, end of period</b>                  | \$13.120  | \$14.190 | \$14.880 | \$14.730              | \$14.890 | \$15.280 |
| <b>Market value, end of period</b>                     | \$11.670  | \$13.450 | \$14.640 | \$16.200              | \$16.370 | \$16.800 |
| <b>Total investment return based on:<sup>2</sup></b>   |   |          |          |                       |          |          |
| Market value   | (11.05%)  | (3.58%)  | (5.13%)  | 4.73%                 | 4.02%    | 16.87%   |

Edgar Filing: DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC - Form N-CSR

|                 |         |       |       |       |       |       |
|-----------------|---------|-------|-------|-------|-------|-------|
| Net asset value | (5.22%) | 0.08% | 6.05% | 4.69% | 4.03% | 7.99% |
|-----------------|---------|-------|-------|-------|-------|-------|

**Ratios and supplemental data:**

|  |           |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|-----------|
| Net assets applicable to common shares, end of period (000 omitted)  | \$150,950 | \$163,305 | \$171,143 | \$169,481 | \$107,958 | \$110,828 |
| Ratio of expenses to average net assets applicable to common shares <sup>3, 5</sup>  | 1.22%     | 1.18%     | 1.20%     | 1.07%     | 1.00%     | 0.93%     |
| Ratio of net investment income to average net assets applicable to common shares <sup>3</sup>                                      | 6.63%     | 6.61%     | 6.52%     | 6.45%     | 6.85%     | 7.23%     |
| Ratio of net investment income to average net assets applicable to common shares net of dividends to preferred shares <sup>4</sup> | 4.64%     | 4.43%     | 4.50%     | 4.86%     | 6.00%     | 6.69%     |
| Portfolio turnover   | 20%       | 6%        | 3%        | 8%        | 15%       | 34%       |

**Leverage analysis:**

|   |           |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Value of preferred shares outstanding (000 omitted)             | \$95,000  | \$95,000  | \$95,000  | \$95,000  | \$60,000  | \$60,000  |
| Net asset coverage per share of preferred shares, end of period | \$129,448 | \$135,950 | \$140,075 | \$139,200 | \$139,965 | \$142,357 |
| Liquidation value per share of preferred shares <sup>6</sup>    | \$50,000  | \$50,000  | \$50,000  | \$50,000  | \$50,000  | \$50,000  |

<sup>1</sup> Ratios and portfolio turnover have been annualized and total return has not been annualized.

<sup>2</sup> Total investment return is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed for the purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Generally, total investment return based on net asset value will be higher than total investment return based on market value in periods where there is an increase in the discount or a decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. Conversely, total investment return based on net asset value will be lower than total investment return based on market value in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods.

<sup>3</sup> Ratios do not reflect the effect of dividend payments to preferred shareholders.

<sup>4</sup> Ratio reflects total net investment income less dividends paid to preferred shareholders divided by average net assets applicable to common shareholders.

<sup>5</sup> The ratio of expenses to average net assets applicable to common shares includes interest and related expenses which include, but are not limited to, interest expense, remarketing fees, liquidity fees, and trustees' fees in connection with the Fund's participation in inverse floater programs for the period ended September 30, 2008 and years ended March 31, 2008 and 2007. See Notes 1 and 7 in [ ]Notes to financial statements[ ].

<sup>6</sup> Excluding any accumulated but unpaid dividends.

See accompanying notes

**Delaware Investments National Municipal Income Fund**

Selected data for each share of the Fund outstanding throughout each period were as follows:

|   | Six Months Ended     |          |          | Year Ended |          |          |
|---|----------------------|----------|----------|------------|----------|----------|
|   | 9/30/08 <sup>1</sup> | 3/31/08  | 3/31/07  | 3/31/06    | 3/31/05  | 3/31/04  |
|   | (Unaudited)          |          |          |            |          |          |
| <b>Net asset value, beginning of period</b> | \$13.360             | \$14.560 | \$14.650 | \$15.340   | \$16.200 | \$16.370 |

|  |                 |                 |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Income (loss) from investment operations:</b>   |                 |                 |                 |                 |                 |                 |
| Net investment income  | 0.433           | 0.919           | 0.960           | 1.017           | 1.057           | 1.088           |
| Net realized and unrealized gain (loss) on investments   | (1.269)         | (1.081)         | 0.141           | (0.236)         | (0.675)         | (0.130)         |
| Dividends on preferred stock from:   |                 |                 |                 |                 |                 |                 |
| Net investment income  | (0.139)         | (0.311)         | (0.285)         | (0.202)         | (0.114)         | (0.082)         |
| Net realized gain on investments   | □               | (0.015)         | (0.018)         | (0.055)         | (0.009)         | (0.005)         |
| Total dividends on preferred stock   | (0.139)         | (0.326)         | (0.303)         | (0.257)         | (0.123)         | (0.087)         |
| Total from investment operations   | (0.975)         | (0.488)         | 0.798           | 0.524           | 0.259           | 0.871           |
| <b>Less dividends and distributions to common shareholders from:</b>   |                 |                 |                 |                 |                 |                 |
| Net investment income  | (0.295)         | (0.668)         | (0.820)         | (0.970)         | (1.020)         | (0.995)         |
| Net realized gain on investments   | □               | (0.044)         | (0.068)         | (0.244)         | (0.099)         | (0.046)         |
| Total dividends and distributions  | (0.295)         | (0.712)         | (0.888)         | (1.214)         | (1.119)         | (1.041)         |
| <b>Net asset value, end of period</b>  | <b>\$12.090</b> | <b>\$13.360</b> | <b>\$14.560</b> | <b>\$14.650</b> | <b>\$15.340</b> | <b>\$16.200</b> |
| <b>Market value, end of period</b>   | <b>\$9.350</b>  | <b>\$11.950</b> | <b>\$14.530</b> | <b>\$16.050</b> | <b>\$15.050</b> | <b>\$16.650</b> |
| <b>Total investment return based on:<sup>2</sup></b>   |                 |                 |                 |                 |                 |                 |
| Market value   | (19.74%)        | (13.11%)        | (4.12%)         | 14.75%          | (3.02%)         | 18.04%          |
| Net asset value  | (7.18%)         | (3.05%)         | 5.27%           | 2.76%           | 1.59%           | 5.59%           |
| <b>Ratios and supplemental data:</b>   |                 |                 |                 |                 |                 |                 |
| Net assets applicable to common shares, end of period (000 omitted)  | \$29,294        | \$32,365        | \$35,256        | \$35,492        | \$37,166        | \$39,244        |
| Ratio of expenses to average net assets applicable to common shares <sup>3</sup>   | 1.20%           | 1.16%           | 1.10%           | 1.07%           | 1.24%           | 1.11%           |
| Ratio of net investment income to average net assets applicable to common shares <sup>3</sup>                                      | 6.45%           | 6.54%           | 6.58%           | 6.70%           | 6.75%           | 6.70%           |
| Ratio of net investment income to average net assets applicable to common shares net of dividends to preferred shares <sup>4</sup> | 4.38%           | 4.22%           | 4.51%           | 5.01%           | 5.97%           | 6.16%           |
| Portfolio turnover   | 40%             | 17%             | 9%              | 28%             | 11%             | 3%              |
| <b>Leverage analysis:</b>  |                 |                 |                 |                 |                 |                 |
| Value of preferred shares outstanding (000 omitted)  | \$20,000        | \$20,000        | \$20,000        | \$20,000        | \$20,000        | \$20,000        |
| Net asset coverage per share of preferred shares, end of period  | \$123,236       | \$130,914       | \$138,141       | \$138,731       | \$142,915       | \$148,110       |
| Liquidation value per share of preferred shares <sup>5</sup>   | \$50,000        | \$50,000        | \$50,000        | \$50,000        | \$50,000        | \$50,000        |

<sup>1</sup> Ratios and portfolio turnover have been annualized and total return has not been annualized.

<sup>2</sup> Total investment return is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed for the purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Generally, total investment return

based on net asset value will be higher than total investment return based on market value in periods where there is an increase in the discount or a decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. Conversely, total investment return based on net asset value will be lower than total investment return based on market value in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods.

<sup>3</sup> Ratios do not reflect the effect of dividend payments to preferred shareholders.

<sup>4</sup> Ratio reflects total net investment income less dividends paid to preferred shareholders divided by average net assets applicable to common shareholders.

<sup>5</sup> Excluding any accumulated but unpaid dividends.

See accompanying notes

---

## Notes to financial statements

### Delaware Investments Closed-End Municipal Bond Funds

September 30, 2008 (Unaudited)

Delaware Investments Arizona Municipal Income Fund, Inc. (Arizona Municipal Fund), Delaware Investments Colorado Municipal Income Fund, Inc. (Colorado Municipal Fund) and Delaware Investments Minnesota Municipal Income Fund II, Inc. (Minnesota Municipal Fund II) are organized as Minnesota corporations and Delaware Investments National Municipal Income Fund, (National Municipal Fund) is organized as a Massachusetts Business Trust (each referred to as a Fund and collectively as the Funds). Arizona Municipal Fund, Colorado Municipal Fund, Minnesota Municipal Fund II and National Municipal Fund are considered diversified closed-end management investment companies under the Investment Company Act of 1940, as amended. The Funds' common shares trade on the NYSE Alternext, the successor to the American Stock Exchange. The Funds' preferred shares are traded privately through a remarketing agent.

The investment objective of each Fund is to provide high current income exempt from federal income tax and from the personal income tax of its state, if any, consistent with the preservation of capital. Each Fund, except National Municipal Income Fund, will seek to achieve its investment objective by investing substantially all of its net assets in investment grade, tax-exempt municipal obligations of its respective state.

#### 1. Significant Accounting Policies

The following accounting policies are in accordance with U.S. generally accepted accounting principles and are consistently followed by the Funds.

**Security Valuation** Long-term debt securities are valued by an independent pricing service or broker. To the extent current market prices are not available, the pricing service may take into account developments related to the specific security, as well as transactions in comparable securities. Short-term debt securities having less than 60 days to maturity are valued at amortized cost, which approximates market value. Generally, other securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith under the direction of each Fund's Board of Directors/Trustees (Board). In determining whether market quotations are readily available or fair valuation will be used, various factors will be taken into consideration, such as market closures, or suspension of trading in a security. The Fund may use fair value pricing more frequently for securities traded primarily in non-U.S. markets because, among other things, most foreign markets close well before the Fund values its securities at 4:00 p.m. Eastern Time. The earlier close of these foreign markets gives rise to the possibility that significant events, including broad market moves, government actions or pronouncements, aftermarket trading or news events, may have occurred in the interim. To account for this, the Fund may frequently value many foreign securities at one time using fair value prices based on third-party vendor modeling tools (international fair value pricing).

**Federal Income Taxes** The Funds intend to continue to qualify for federal income tax purposes as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended, and make the requisite distributions to shareholders. Accordingly, no provision for federal income taxes has been made in the financial statements.

The Funds evaluate tax positions taken or expected to be taken in the course of preparing the Funds' tax returns to determine whether the tax positions are more-likely-than-not of being sustained by the applicable tax authority. Tax positions not deemed

to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. The Funds did not record any tax benefit or expense in the current period.

**Use of Estimates** □ The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Interest and Related Expenses** □ Interest and related expenses include, but are not limited to, interest expense, remarketing fees, liquidity fees, and trustees' fees from the Minnesota Municipal Fund II's participation in inverse floater programs where the Fund has transferred its own bonds to a trust that issues floating rate securities with an aggregate principal amount equal to the principal of the transferred bonds. In conveyance of the bond, the Fund receives the inverse floating rate securities and cash from the trust. As a result of certain rights retained by the Fund, the transfer of the bond is not considered a sale, but rather a form of financing for accounting purposes whereby the cash received is recorded as a liability and interest expense is recorded based on the interest rate of the floating rate securities. Remarketing fees, liquidity fees, and trustees' fees expenses are recorded on the accrual basis.

The Minnesota Municipal Fund II sold out of its inverse floater positions on September 29, 2008. As of the period ended September 29, 2008, the Fund had an average daily liability from the participation in inverse floater programs of \$8,500,000 and recorded interest expense at an average rate of 3.57%.

**Other** □ Expenses directly attributable to a Fund are charged directly to that Fund. Other expenses common to various funds within the Delaware Investments® Family of Funds are generally allocated amongst such funds on the basis of average net assets. Management fees and some other expenses are paid monthly. Security transactions are recorded on the date the securities are purchased or sold (trade date) for financial reporting purposes. Costs used in calculating realized gains and losses on the sale of investment securities are those of the specific securities sold. Interest income is recorded on the accrual basis. Discounts and premiums are amortized to interest income over the lives of the respective securities. Each Fund declares and pays dividends from net investment income monthly and distributions from net realized gain on investments, if any, annually.

In addition, in order to satisfy certain distribution requirements of the Tax Reform Act of 1986, the Funds may declare special year-end dividend and capital gains distributions during November or December to shareholders of record on a date in such month. Such distributions, if received by shareholders by January 31, are deemed to have been paid by the Funds and received by shareholders on the earlier of the date paid or December 31 of the prior year.

The Funds receive earnings credits from their custodian when positive cash balances are maintained, which are used to offset custody fees. The expense paid under this arrangement is included in custodian fees and on the statements of operations with the corresponding expense offset shown as □expense paid indirectly.□

24

## 2. Investment Management Administration Agreements and Other Transactions with Affiliates

In accordance with the terms of its respective investment management agreement, each Fund pays Delaware Management Company (DMC), a series of Delaware Management Business Trust and the investment manager, an annual fee of 0.40% which is calculated daily based on the average weekly net assets of each Fund, excluding the liquidation value of the preferred stock.

Delaware Service Company, Inc. (DSC), an affiliate of DMC, provides fund accounting and financial administration oversight services to the Funds. For these services, the Funds pay DSC fees based on the aggregate daily net assets of the Delaware Investments® Family of Funds at the following annual rate: 0.0050% of the first \$30 billion; 0.0045% of the next \$10 billion; 0.0040% of the next \$10 billion; and 0.0025% of aggregate average daily net assets in excess of \$50 billion. The fees payable to DSC under the service agreement described above are allocated among all Funds in the Delaware Investments® Family of Funds on a relative net asset value basis. For the six months ended September 30, 2008, the Funds were charged as follows:

| Arizona<br>Municipal<br>Fund | Colorado<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II | National<br>Municipal<br>Fund |
|------------------------------|-------------------------------|-----------------------------------|-------------------------------|
| \$1,659                      | \$2,717                       | \$6,456                           | \$1,311                       |

At September 30, 2008, each Fund had liabilities payable to affiliates as follows:

|         |          |           |          |
|---------|----------|-----------|----------|
| Arizona | Colorado | Minnesota | National |
|---------|----------|-----------|----------|

|   | Municipal<br>Fund | Municipal<br>Fund | Municipal<br>Fund II | Municipal<br>Fund |
|---|-------------------|-------------------|----------------------|-------------------|
| Investment management fee payable to DMC                    | \$21,837          | \$35,762          | \$84,980             | \$17,142          |
| Accounting administration and other expenses payable to DSC | 10,950            | 9,767             | 1,325                | 12,353            |
| Other expenses payable to DMC and affiliates*               | 11,261            | 17,546            | 31,086               | 14,595            |

\* DMC as part of its administrative services pays operating expenses on behalf of each Fund and is reimbursed on a periodic basis. Such expenses include items such as printing of shareholder reports, fees for audit, legal and tax services, stock exchange fees, custodian fees and directors/trustees' fees.

As provided in the investment management agreement, each Fund bears the cost of certain legal and tax services, including internal legal and tax services provided to each Fund by DMC and/or its affiliates' employees. For the six months ended September 30, 2008, each Fund was charged for internal legal and tax services provided by DMC and/or its affiliates' employees as follows:

|  | Arizona<br>Municipal<br>Fund | Colorado<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II | National<br>Municipal<br>Fund |
|--|------------------------------|-------------------------------|-----------------------------------|-------------------------------|
|  | \$1,362                      | \$2,264                       | \$5,379                           | \$1,066                       |

Directors'/Trustees' fees include expenses accrued by the Funds for each Director's/Trustee's retainer and meeting fees. Certain officers of DMC and DSC are officers and/or Directors/Trustees of the Funds. These officers and Directors/Trustees are paid no compensation by the Funds.

### 3. Investments

For the six months ended September 30, 2008, the Funds made purchases and sales of investment securities other than short-term investments as follows:

|           | Arizona<br>Municipal<br>Fund | Colorado<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II | National<br>Municipal<br>Fund |
|-----------|------------------------------|-------------------------------|-----------------------------------|-------------------------------|
| Purchases | \$1,482,740                  | \$ 4,588,214                  | \$24,648,090                      | \$ 9,881,545                  |
| Sales     | 5,101,590                    | 13,253,928                    | 46,346,191                        | 12,649,207                    |

(continues) 25

## Notes to financial statements

### Delaware Investments Closed-End Municipal Bond Funds

### 3. Investments (continued)

At September 30, 2008, the cost of investments for federal income tax purposes has been estimated since the final tax characteristics cannot be determined until fiscal year end. At September 30, 2008, the cost of investments and unrealized appreciation (depreciation) for federal income tax purposes for each Fund were as follows:

| Arizona | Colorado | Minnesota | National |
|---------|----------|-----------|----------|
|---------|----------|-----------|----------|

Edgar Filing: DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC - Form N-CSR

|                                   | Municipal<br>Fund | Municipal<br>Fund | Municipal<br>Fund II | Municipal<br>Fund |
|-----------------------------------|-------------------|-------------------|----------------------|-------------------|
| Cost of investments               | \$ 60,680,342     | \$ 96,762,126     | \$ 225,403,588       | \$ 49,179,193     |
| Aggregate unrealized appreciation | \$ 1,235,962      | \$ 2,656,116      | \$ 4,916,577         | \$ 165,686        |
| Aggregate unrealized depreciation | (3,752,554)       | (4,901,145)       | (11,561,247)         | (3,374,804)       |
| Net unrealized depreciation       | \$ (2,516,592)    | \$ (2,245,029)    | \$ (6,644,670)       | \$ (3,209,118)    |

Effective April 1, 2008, the Funds adopted Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 defines fair value as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. FAS 157 also establishes a framework for measuring fair value, and a three level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available under the circumstances. The Funds' investment in its entirety is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three-tier hierarchy of inputs is summarized below.

Level 1 □ inputs are quoted prices in active markets

Level 2 □ inputs that are observable, directly or indirectly

Level 3 □ inputs are unobservable and reflect assumptions on the part of the reporting entity

The following table summarizes the valuation of the Funds' investments by the above FAS 157 fair value hierarchy levels as of September 30, 2008:

|         | Arizona<br>Municipal<br>Fund | Colorado<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II | National<br>Municipal<br>Fund |
|---------|------------------------------|-------------------------------|-----------------------------------|-------------------------------|
| Level 1 | \$ □                         | \$ □                          | \$ □                              | \$ □                          |
| Level 2 | 58,163,750                   | 94,517,097                    | 218,758,918                       | 45,970,075                    |
| Level 3 | □                            | □                             | □                                 | □                             |
| Total   | \$ 58,163,750                | \$ 94,517,097                 | \$ 218,758,918                    | \$ 45,970,075                 |

There were no Level 3 securities at the beginning or end of the period.

26

#### 4. Dividend and Distribution Information

Income and long-term capital gain distributions are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles. Additionally, distributions from net short-term gains on sales of investment securities are treated as ordinary income for federal income tax purposes. The tax character of dividends and distributions paid during the six months ended September 30, 2008 and the year ended March 31, 2008 was as follows:

|                                  | Arizona<br>Municipal<br>Fund | Colorado<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II | National<br>Municipal<br>Fund |
|----------------------------------|------------------------------|-------------------------------|-----------------------------------|-------------------------------|
| <b>Six Months Ended 9/30/08*</b> |                              |                               |                                   |                               |
| Total Tax-exempt income          | \$ 1,314,375                 | \$ 2,423,747                  | \$ 5,423,833                      | \$ 1,050,321                  |
| <b>Year Ended 3/31/08</b>        |                              |                               |                                   |                               |
| Ordinary income                  | \$ 58,659                    | \$ □                          | \$ 32,679                         | \$ 60,768                     |
| Tax-exempt income                | 2,700,762                    | 4,758,605                     | 11,215,078                        | 2,310,133                     |
| Long-term capital gain           | 232,318                      | 913,220                       | □                                 | 142,452                       |
| Total                            | \$ 2,991,739                 | \$ 5,671,825                  | \$ 11,247,757                     | \$ 2,513,353                  |



\*Tax information for the six months ended September 30, 2008 is an estimate and the tax character of dividends and distributions may be redesignated at fiscal year end.

## 5. Components of Net Assets on a Tax Basis

The components of net assets are estimated since final tax characteristics cannot be determined until fiscal year end. As of September 30, 2008, the estimated components of net assets on a tax basis were as follows:

|  | Arizona<br>Municipal<br>Fund | Colorado<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II | National<br>Municipal<br>Fund |
|--|------------------------------|-------------------------------|-----------------------------------|-------------------------------|
| Shares of beneficial interest            | \$40,780,234                 | \$67,202,571                  | \$158,750,422                     | \$33,300,621                  |
| Distributions payable                    | (58,785)                     | (152,248)                     | (267,027)                         | (47,028)                      |
| Undistributed tax-exempt income          | 55,088                       | □                             | 227,078                           | 33,420                        |
| Realized loss 4/1/08 □ 9/30/08           | (140,343)                    | (940,785)                     | (921,380)                         | (764,858)                     |
| Capital loss carryforwards as of 3/31/08 | □                            | □                             | (194,046)                         | (18,596)                      |
| Unrealized depreciation of investments   | (2,516,592)                  | (2,245,029)                   | (6,644,670)                       | (3,209,118)                   |
| Net assets                               | \$38,119,602                 | \$63,864,509                  | \$150,950,377                     | \$29,294,441                  |

The difference between book basis and tax basis components of net assets are primarily attributable to tax deferral of losses on wash sales and tax treatment of market discount on debt instruments.

For financial reporting purposes, capital accounts are adjusted to reflect the tax character of permanent book/tax differences. Reclassifications are primarily due to tax treatment of dividends and distributions, and tax treatment of market discount on debt instruments. Results of operations and net assets were not affected by these reclassifications. For the six months ended September 30, 2008, the Funds recorded an estimate of these differences since the final tax characteristics cannot be determined until fiscal year end.

|  | Arizona<br>Municipal<br>Fund | Colorado<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II |
|--|------------------------------|-------------------------------|-----------------------------------|
| Paid-in capital                                  | \$ □                         | \$ (35,539)                   | \$ □                              |
| Distributions in excess of net investment income | 3,702                        | 26,884                        | 19,861                            |
| Accumulated net realized gain (loss)             | (3,702)                      | 8,655                         | (19,861)                          |

(continues) 27

# Notes to financial statements

## Delaware Investments Closed-End Municipal Bond Funds

### 5. Components of Net Assets on a Tax Basis (continued)

For federal income tax purposes, capital loss carryforwards may be carried forward and applied against future capital gains. Capital loss carryforwards remaining at March 31, 2008 will expire as follows:

|                        |                       |
|------------------------|-----------------------|
| Minnesota<br>Municipal | National<br>Municipal |
|------------------------|-----------------------|

|       | Fund II   | Fund     |
|-------|-----------|----------|
| 2009  | \$175,804 | \$ □     |
| 2010  | 8,416     | □        |
| 2013  | 9,826     | □        |
| 2016  | □         | 18,596   |
| Total | \$194,046 | \$18,596 |

## 6. Capital Stock

Pursuant to their articles of incorporation, Arizona Municipal Fund, Colorado Municipal Fund and Minnesota Municipal Fund II each have 200 million shares of \$0.01 par value common shares authorized. National Municipal Fund has been authorized to issue an unlimited amount of \$0.01 par value common shares. The Funds did not repurchase any shares under the Share Repurchase Program during the six months ended September 30, 2008. Shares issuable under the Funds' dividend reinvestment plan are purchased by the Funds' transfer agent, Mellon Investor Services, LLC, in the open market.

For the six months ended September 30, 2008, the Funds did not have any transactions in common shares.

The Funds each have one million shares of \$0.01 par value preferred shares authorized, except for National Municipal Fund, which has an unlimited amount of \$0.01 par value preferred shares authorized. As of September 30, 2008, the Arizona Municipal Fund currently has 250 Series A and 250 Series B preferred shares issued. Colorado Municipal Fund has 400 Series A and 400 Series B preferred shares issued, Minnesota Municipal Fund II has 600 Series A, 600 Series B, 400 Series C, and 300 Series D Preferred Shares issued, and National Municipal Fund has 200 Series A and Series B Shares issued. The preferred shares of each Fund have a liquidation preference of \$50,000 per share plus an amount equal to accumulated but unpaid dividends.

Dividends for the outstanding preferred shares of each Fund are cumulative at a rate established at the initial public offering and are reset based on the results of an auction.

Dividend rates (adjusted for any capital gain distributions) ranged during the six months ended September 30, 2008 as follows:

| Fund                        | Low   | to | High   |
|-----------------------------|-------|----|--------|
| Arizona Municipal Fund      | 2.46% | to | 12.26% |
| Colorado Municipal Fund     | 2.54% | to | 11.65% |
| Minnesota Municipal Fund II | 2.46% | to | 12.26% |
| National Municipal Fund     | 2.46% | to | 12.26% |

Citigroup Global Markets, Inc., and Merrill Lynch Pierce, Fenner & Smith Inc. (Colorado Municipal Fund only), as the remarketing agents, receive an annual fee from each of the Funds of 0.25% of the average amount of preferred stock outstanding.

Under the 1940 Act, the Funds may not declare dividends or make other distributions on common shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding preferred stock is less than 200%. The preferred shares are redeemable at the option of the Funds, in whole or in part, on any dividend payment date at \$50,000 per share plus any accumulated but unpaid dividends whether or not declared. The preferred shares are also subject to mandatory redemption at \$50,000 per share plus any accumulated but unpaid dividends whether or not declared, if certain requirements relating to the composition of the assets and liabilities of each Fund are not satisfied.

The holders of preferred shares have voting rights equal to the holders of common shares (one vote per share) and will vote together with holders of common shares as a single class. However, holders of preferred shares are also entitled to elect two of each Fund's Directors. In addition, the 1940 Act requires that along with approval by shareholders that might otherwise be required, the approval of the holders of a majority of any outstanding preferred shares, voting separately as a class would be required to (a) adopt any plan of reorganization that would adversely affect the preferred shares, and (b) take any action requiring a vote of security holders pursuant to Section 13(a) of the 1940 Act, including, among other things, changes in each of the Fund's subclassification as a closed-end investment company or (c) changes in their fundamental investment restrictions.

## 7. Inverse Floaters

The Funds may participate in inverse floater programs where a fund transfers its own bonds to a trust that issues floating rate securities and inverse floating rate securities (inverse floaters) with an aggregate principal amount equal to the principal of the transferred bonds. The inverse floaters received by the Funds are derivative tax-exempt obligations with floating or variable interest rates that move in the opposite direction of short-term interest rates, usually at an accelerated speed. Consequently, the market values of the inverse floaters will generally be more volatile than other tax-exempt investments. The Funds typically use inverse floaters to adjust the duration of its portfolio. Duration measures a portfolio's sensitivity to changes in interest rates. By holding inverse floaters with a different duration than the underlying bonds that a Fund transferred to the trust, the Fund seeks to adjust its portfolio's sensitivity to changes in interest rates. The Funds may also invest in inverse floaters to add additional income to the Funds or to adjust the Funds' exposure to a specific segment of the yield curve. At September 30, 2008, the Funds had no inverse floater securities outstanding.

**8. Credit and Market Risk**

The Funds use leverage in the form of preferred shares. Leveraging may result in a higher degree of volatility because each Fund's net asset value could be more sensitive to fluctuations in short-term interest rates and changes in market value of portfolio securities attributable to the leverage.

The Funds concentrate their investments in securities issued by municipalities. The value of these investments may be adversely affected by new legislation within the states, regional or local and national economic conditions, as applicable, and differing levels of supply and demand for municipal bonds. Many municipalities insure repayment for their obligations. Although bond insurance reduces the risk of loss due to default by an issuer, such bonds remain subject to the risk that value may fluctuate for other reasons and there is no assurance that the insurance company will meet its obligations. A real or perceived decline in creditworthiness of a bond insurer can have an adverse impact on the value of insured bonds held in the Funds. At September 30, 2008, the percentages of each Fund's net assets, including liquidation value of preferred stock, insured by bond insurers were as follows:

|                          |     |
|--------------------------|-----|
| Arizona Municipal Fund   | 36% |
| Colorado Municipal Fund  | 46% |
| Minnesota Municipal Fund | 30% |
| National Municipal Fund  | 64% |

These securities have been identified in the statements of net assets.

The Funds may invest in advanced refunded bonds, escrow secured bonds or defeased bonds. Under current federal tax laws and regulations, state and local government borrowers are permitted to refinance outstanding bonds by issuing new bonds. The issuer refinances the outstanding debt to either reduce interest costs or to remove or alter restrictive covenants imposed by the bonds being refinanced. A refunding transaction where the municipal securities are being refunded within 90 days from the issuance of the refunding issue is known as a "current refunding." "Advance refunded bonds" are bonds in which the refunded bond issue remains outstanding for more than 90 days following the issuance of the refunding issue. In an advance refunding, the issuer will use the proceeds of a new bond issue to purchase high grade interest bearing debt securities which are then deposited in an irrevocable escrow account held by an escrow agent to secure all future payments of principal and interest and bond premium of the advance refunded bond. Bonds are "escrowed to maturity" when the proceeds of the refunding issue are deposited in an escrow account for investment sufficient to pay all of the principal and interest on the original interest payment and maturity dates.

Bonds are considered "pre-refunded" when the refunding issue's proceeds are escrowed only until a permitted call date or dates on the refunded issue with the refunded issue being redeemed at the time, including any required premium. Bonds become "defeased" when the rights and interests of the bondholders and of their lien on the pledged revenues or other security under the terms of the bond contract are substituted with an alternative source of revenues (the escrow securities) sufficient to meet payments of principal and interest to maturity or to the first call dates. Escrowed secured bonds will often receive a rating of AAA from Moody's Investors Service, Inc., Standard & Poor's Ratings Group, and/or Fitch Ratings due to the strong credit quality of the escrow securities and the irrevocable nature of the escrow deposit agreement.

Each Fund may invest up to 15% of its net assets in illiquid securities, which may include securities with contractual restrictions on resale, securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended, and other securities which may not be readily marketable. The relative illiquidity of these securities may impair each Fund from disposing of them in a timely manner and at a fair price when it is necessary or desirable to do so. While maintaining oversight, each Fund's Board has delegated to DMC the day-to-day functions of determining whether individual securities are liquid for purposes of each Fund's limitation on investments in illiquid assets. Securities eligible for resale pursuant to Rule 144A, which are determined to be liquid, are not subject to the Funds 15% limit on investments in illiquid securities. As of September 30, 2008, there were no Rule 144A securities. Illiquid securities have been identified on the statements of net assets.

(continues) 29

## Notes to financial statements

### Delaware Investments Closed-End Municipal Bond Funds

#### 9. Contractual Obligations

The Funds enter into contracts in the normal course of business that contain a variety of indemnifications. The Funds' maximum exposure under these arrangements is unknown. However, the Funds have not had prior claims or losses pursuant to these contracts. Management has reviewed the Funds' existing contracts and expects the risk of loss to be remote.

#### 10. Delaware Investments National Municipal Income Fund (formerly Delaware Investments Florida Insured Municipal Income Fund) Investments in Municipal Securities Issued by the State of Florida

On September 13, 2007, shareholders of Delaware Investments Florida Insured Municipal Income Fund (renamed Delaware Investments National Municipal Income Fund) (the "Fund") approved (1) the elimination of the Fund's fundamental investment policy that required the Fund to invest primarily in insured municipal securities issued by the State of Florida and (2) the adoption of a new fundamental investment policy permitting the Fund to invest in un-insured municipal securities issued by states other than Florida. The Fund's portfolio managers began to transition the Fund's portfolio to include un-insured municipal bonds issued by other states and territories on October 15, 2007. As of September 30, 2008, municipal bonds issued by the State of Florida constitute approximately 68% of the Fund's portfolio. These investments could make the Fund more sensitive to economic conditions in Florida than other more geographically diversified national municipal income funds.

#### 11. Recent Developments Regarding Bond Insurance Companies

Starting in January 2008, Standard and Poor's, Moody's Investors Service and Fitch Ratings began to take negative actions against a number of municipal bond insurers. These actions included actual rating downgrades, assigning negative outlooks, and/or placing the insurer financial strength rating on credit watch for possible downgrade.

Through early November 2008, five (AMBAC, FGIC, CGIC, MBIA and XLCA) of the first tier monoline insurers have been downgraded by one or more of the rating agencies. A real or perceived decline in creditworthiness of a bond insurer can have an adverse impact on the value of insured bonds held in the Funds. On November 14, 2008, Assured Guaranty, Ltd and Dexia SA, the parent for financial guarantor Financial Security Assurance, Inc. (FSA) announced a definitive agreement for Assured Guaranty to acquire all of Dexia's shares of FSA. Insurer financial strength ratings for the municipal bond insurers may continue to change.

#### 12. Redemption of Preferred Shares

On October 7, 2008, the Funds' Board of Directors/Trustees approved a plan to redeem all or a significant portion of outstanding preferred shares issued by the Funds. The plan is intended to better position each Fund to pursue its investment objectives in light of current and unprecedented market volatility, which has resulted in higher short-term interest rates. Management recommended the redemption of the Funds' preferred shares based on its expectation that in the current environment it may become increasingly difficult for the Funds to invest the assets attributable to the preferred shares in securities that provide a sufficient rate of return compared to the dividend rates payable on the preferred shares, which had remained elevated in recent remarketings. These higher costs, in conjunction with current market conditions, could cause the Funds to realize an overall lower rate of return than if the Funds were not leveraged. The Funds' Board of Directors/Trustees may consider adding some form of leverage to the Funds in the future if warranted by economic conditions at that time.

Effective November 7, 2008, each Fund redeemed all of its preferred shares at par plus accumulated dividends amounting to \$25,024,395, \$40,042,778, \$95,083,577, and \$20,019,516 in the Arizona Municipal Income Fund, Colorado Municipal Income Fund, Minnesota Municipal Income Fund II, and National Municipal Income Fund, respectively. In connection with these transactions, each Fund liquidated a corresponding amount of its investments to fund the redemptions.

## Other Fund information

(Unaudited)

**Delaware Investments® Closed-End Municipal Bond Funds**

**Board Consideration of Delaware Investments Arizona Municipal Income Fund, Inc., Delaware Investments Colorado Municipal Income Fund, Inc., Delaware Investments National Municipal Income Fund, Delaware Investments Minnesota Municipal Income Fund II, Inc. Investment Advisory Agreement**

At a meeting held on May 20-22, 2008 (the "Annual Meeting"), the Board of Trustees/Directors ("Trustees"), including a majority of disinterested or independent Trustees, approved the renewal of the Investment Advisory Agreements for Delaware Investments Arizona Municipal Income Fund, Inc.; Delaware Investments Colorado Municipal Income Fund, Inc.; Delaware Investments National Municipal Income Fund; and Delaware Investments Minnesota Municipal Income Fund II, Inc. (each a "Fund" and collectively, the "Funds"). In making its decision, the Board considered information furnished at regular quarterly Board meetings, including reports detailing Fund performance, investment strategies and expenses, as well as information prepared specifically in connection with the renewal of the investment advisory contracts. Information furnished specifically in connection with the renewal of the Investment Advisory Agreement with Delaware Management Company ("DMC") included materials provided by DMC and its affiliates ("Delaware Investments") concerning, among other things, the nature, extent and quality of services provided to the Funds, the costs of such services to the Funds, economies of scale and the financial condition and profitability of Delaware Investments. In addition, in connection with the Annual Meeting, the Board separately received and reviewed in February 2008 independent historical and comparative reports prepared by Lipper Inc. ("Lipper"), an independent statistical compilation organization. The Lipper reports compared each Fund's investment performance and expenses with those of other comparable mutual funds. The independent Trustees reviewed the Lipper reports with Counsel to the Independent Trustees at the February 2008 Board Meeting and discussed such reports further with counsel earlier in the Annual Meeting. The Board requested and received certain information regarding Management's policy with respect to advisory fee levels and its philosophy with respect to breakpoints; the structure of portfolio manager compensation; the investment manager's profitability; and any constraints or limitations on the availability of securities in certain investment styles which might inhibit DMC's ability to invest fully in accordance with Fund policies.

In considering information relating to the approval of each Fund's advisory agreement, the independent Trustees received assistance and advice from and met separately with independent counsel. Although the Trustees gave attention to all information furnished, the following discussion identifies, under separate headings, the primary factors taken into account by the Board in its contract renewal considerations.

**Nature, Extent and Quality of Service.** The Board considered the services provided by Delaware Investments to the Funds and their shareholders. In reviewing the nature, extent and quality of services, the Board emphasized reports furnished to it throughout the year at regular Board meetings covering matters such as the compliance of portfolio managers with the investment policies, strategies and restrictions for the Funds, the compliance of management personnel with the Code of Ethics adopted throughout the Delaware Investments® Family of Funds complex and the adherence to fair value pricing procedures as established by the Board. The Board was pleased with the current staffing of the Funds' investment advisor and the emphasis placed on research in the investment process. Favorable consideration was given to DMC's efforts to maintain expenditures and, in some instances, increase financial and human resources committed to Fund matters. During 2007 Management commenced the outsourcing of certain investment accounting functions that are expected to improve the quality and the cost of delivering investment accounting services to the Funds. The Board was satisfied with the nature, extent and quality of the overall services provided by Delaware Investments.

**Investment Performance.** The Board considered the investment performance of DMC and the Funds. The Board placed significant emphasis on the investment performance of the Funds in view of its importance to shareholders. Although the Board gave appropriate consideration to performance reports and discussions with portfolio managers at Board meetings throughout the year, the Board gave particular weight to the Lipper reports furnished for the Annual Meeting. The Lipper reports prepared for each Fund showed the investment performance of its shares in comparison to a group of similar funds as selected by Lipper (the "Performance Universe"). A fund with the highest performance ranked first, and a fund with the lowest ranked last. The highest/best performing 25% of funds in the Performance Universe make up the first quartile; the next 25%, the second quartile; the next 25%, the third quartile; and the lowest/worst performing 25% of funds in the Performance Universe make up the fourth quartile. Comparative annualized performance for each Fund was shown for the past one-, three-, five- and ten-year periods ended December 31, 2007. The Board's objective is that each Fund's performance for the periods considered be at or above the median of its Performance Universe. The following paragraphs summarize the performance results for the Funds and the Board's view of such performance.

Delaware Investments Arizona Municipal Income Fund, Inc. [The Performance Universe for the Fund consisted of the Fund and all leveraged closed-end other state municipal debt funds as selected by Lipper. The Lipper report comparison showed that the Fund's total return for the one-year period was in the third quartile of its Performance Universe. The report further showed that the Fund's total return for the three- and five-year periods was in the fourth quartile and the Fund's total return for the ten-year period was in the second quartile. The Board noted that the Fund's performance results were not in line with the Board's objective. In evaluating the Fund's performance, the Board considered investment strategy changes implemented in late 2006. The Board was satisfied that Management was taking action to enhance Fund performance and meet the Board's performance

objective.

Delaware Investments Colorado Municipal Income Fund, Inc. □ The Performance Universe for the Fund consisted of the Fund and all leveraged closed-end other state municipal debt funds as selected by Lipper. The Lipper report comparison showed that the Fund's total return for the one- and ten-year periods was in the first quartile of its Performance Universe. The report further showed that the Fund's total return for the three- and five-year periods was in the third quartile and fourth quartile, respectively. The Board noted that the Fund's performance results were mixed but overall tended toward median, which was acceptable especially since one year performance was in the first quartile.

(continues) 31

## Other Fund information

(Unaudited)

### Delaware Investments® Closed-End Municipal Bond Funds

#### **Board Consideration of Delaware Investments Arizona Municipal Income Fund, Inc., Delaware Investments Colorado Municipal Income Fund, Inc., Delaware Investments National Municipal Income Fund, Delaware Investments Minnesota Municipal Income Fund II, Inc. Investment Advisory Agreement (continued)**

Delaware Investments National Municipal Income Fund □ Lipper currently classifies the Fund as a leveraged general municipal debt fund. However, prior to the implementation of strategy changes in late 2007, the Fund had been classified as a Florida municipal debt fund. Accordingly, the Lipper report prepared for the Fund compares the Fund's performance to two separate Performance Universes consisting of the Fund and all leveraged closed-end general municipal debt funds plus the Fund and all leveraged closed-end Florida municipal debt funds as selected by Lipper. When compared to other general municipal debt funds, the Lipper report comparison showed that the Fund's total return for the one-year period was in the first quartile of its Performance Universe. The report further showed that the Fund's total return for the three- and five-year periods was in the fourth quartile and the Fund's total return for the ten-year period was in the third quartile. When compared to other Florida municipal debt funds, the Lipper report comparison showed that the Fund's total return for the one-year period was in the second quartile of its Performance Universe. The report further showed that the Fund's total return for the three- and five-year periods was in the fourth quartile and the Fund's total return for the ten-year period was in the third quartile. The Board noted that the Fund's performance results were not in line with the Board's objective. In evaluating the Fund's performance, the Board considered the strategy changes implemented in late 2007 and was satisfied that Management was taking effective action to enhance Fund performance and meet the Board's performance objective.

Delaware Investments Minnesota Municipal Income Fund II, Inc. □ The Performance Universe for the Fund consisted of the Fund and all leveraged closed-end other state municipal debt funds as selected by Lipper. The Lipper report comparison showed that the Fund's total return for the one- and three-year periods was in the second quartile of its Performance Universe. The report further showed that the Fund's total return for the five- and ten-year periods was in the first quartile. The Board was satisfied with performance.

**Comparative Expenses.** The Board considered expense comparison data for the Delaware Investments® Family of Funds. Management provided the Board with information on pricing levels and fee structures for the Funds as of October 31, 2007 and the most recent fiscal year end for each comparative fund as of August 31, 2007 or earlier. For any fund with a fiscal year end after August 31, 2007, such fund's expense data were measured as of its fiscal year end for 2006. The Board focused particularly on the comparative analysis of the management fees and total expense ratios of each Fund and the effective management fees and expense ratios of a group of similar leveraged closed-end funds as selected by Lipper (the "Expense Group"). In reviewing comparative costs, each Fund's contractual management fee and the actual management fee incurred by the Fund were compared with the contractual management fees (assuming all funds in the Expense Group were similar in size to the Fund) and actual management fees (as reported by each fund) of other funds within the Expense Group, taking into account any applicable breakpoints and fee waivers. Each Fund's total expenses were also compared with those of its Expense Group. The Board also considered fees paid to Delaware Investments for non-management services. The Board noted its objective to limit each Fund's total expense ratio to be competitive with that of the Expense Group. The following paragraphs summarize the expense results for the Funds and the Board's view of such expenses.

Delaware Investments Arizona Municipal Income Fund, Inc. □ The expense comparisons for the Fund showed that its actual management fee was in the quartile with the second lowest expenses of its Expense Group and its total expenses were in the quartile with the lowest expenses of its Expense Group. The Board was satisfied with the management fee and total expenses of the Fund in comparison to its Expense Group.

Delaware Investments Colorado Municipal Income Fund, Inc. □ The expense comparisons for the Fund showed that its actual management fee and total expenses were in the quartile with the lowest expenses of its Expense Group. The Board was satisfied with the management fee and total expenses of the Fund in comparison to its Expense Group.

Delaware Investments National Municipal Income Fund □ When compared to other general municipal debt funds, the expense comparisons for the Fund showed that its actual management fee and total expenses were in the quartile with the lowest expenses of its Expense Group. When compared to other Florida municipal debt Funds, the expense comparisons for the Fund showed that its actual management was ranked third (second highest) of the four funds in the Expense Group and total expenses were ranked second (second lowest) of the four funds in the Expense Group. The Board was satisfied with the management fee and total expenses of the Fund in comparison to its Expense Group.

Delaware Investments Minnesota Municipal Income Fund II, Inc. □ The expense comparisons for the Fund showed that its management fee and total expenses were in the quartile with the lowest expenses of its Expense Group. The Board was satisfied with the management fee and total expenses of the Fund in comparison to its Expense Group.

**Management Profitability.** The Board considered the level of profits, if any, realized by Delaware Investments in connection with the operation of the Funds. In this respect, the Board reviewed the Investment Management Profitability Analysis that addressed the overall profitability of Delaware Investments' business in providing management and other services to each of the individual funds and the Delaware Investments Family of Funds as a whole. Specific attention was given to the methodology followed in allocating costs for the purpose of determining profitability. Management stated that the level of profits of Delaware Investments, to a certain extent, reflect operational cost savings and efficiencies initiated by Delaware Investments. The Board considered Delaware Investments' efforts to improve services provided to fund shareholders and to meet additional regulatory and compliance requirements resulting from recent industry-wide SEC initiatives. The Board also considered the extent to which Delaware Investments might derive ancillary benefits from fund operations, including the potential for procuring additional business as a result of the prestige and visibility associated with its role as service provider to the Delaware Investments Family of Funds and the benefits from allocation of fund brokerage to improve trading efficiencies. The Board found that the level of management fees was reasonable in light of the services rendered and the profitability of Delaware Investments.

**Economies of Scale.** As closed-end funds, the Funds do not issue shares on a continuous basis. Fund assets increase only to the extent that the values of the underlying securities in the Fund increase. Accordingly, the Board determined that the Funds were not likely to experience significant economies of scale due to asset growth and, therefore, a fee schedule with breakpoints to pass the benefit of economies of scale on to shareholders was not likely to provide the intended effect.

32

---

## About the organization

This semiannual report is for the information of Delaware Investments Closed-End Municipal Bond Funds shareholders. Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Funds may, from time-to-time, purchase shares of their common stock on the open market at market prices.

### Board of trustees

**Patrick P. Coyne**  
Chairman, President,  
and Chief Executive Officer  
Delaware Investments® Family of Funds  
Philadelphia, PA

**Thomas L. Bennett**  
Private Investor  
Rosemont, PA

**John A. Fry**

President  
Franklin & Marshall College  
Lancaster, PA

**Anthony D. Knerr**

Founder and Managing Director  
Anthony Knerr & Associates  
New York, NY

**Lucinda S. Landreth**

Former Chief Investment Officer  
Assurant, Inc.  
Philadelphia, PA

**Ann R. Leven**

Consultant  
ARL Associates  
New York, NY

**Thomas F. Madison**

President and Chief Executive Officer  
MLM Partners, Inc.  
Minneapolis, MN

**Janet L. Yeomans**

Vice President and Treasurer  
3M Corporation  
St. Paul, MN

**J. Richard Zecher**

Founder  
Investor Analytics  
Scottsdale, AZ

**Affiliated officers**

**David F. Connor**

Vice President, Deputy General Counsel,  
and Secretary  
Delaware Investments Family of Funds  
Philadelphia, PA

**Daniel V. Geatens**

Vice President and Treasurer  
Delaware Investments Family of Funds  
Philadelphia, PA

**David P. O'Connor**

Senior Vice President, General Counsel,  
and Chief Legal Officer  
Delaware Investments Family of Funds  
Philadelphia, PA

**Richard Salus**

Senior Vice President and  
Chief Financial Officer  
Delaware Investments Family of Funds  
Philadelphia, PA



## Edgar Filing: DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC - Form N-CSR

Each Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. Each Fund's Forms N-Q, as well as a description of the policies and procedures that each Fund uses to determine how to vote proxies (if any) relating to portfolio securities are available without charge (i) upon request, by calling 800 523-1918; and (ii) on the Commission's Web site at <http://www.sec.gov>. In addition, a description of the policies and procedures that the Fund uses to determine how to vote proxies (if any) relating to portfolio securities and each Fund's Schedule of Investments are available without charge on the Fund's Web site at <http://www.delawareinvestments.com>. Each Fund's Forms N-Q may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C.; information on the operation of the Public Reference Room may be obtained by calling 800 SEC-0330.

Information (if any) regarding how each Fund voted proxies relating to portfolio securities during the most recently disclosed 12-month period ended June 30 is available without charge (i) through each Fund's Web site at <http://www.delawareinvestments.com>; and (ii) on the Commission's Web site at <http://www.sec.gov>.

### Contact information

#### Investment manager

Delaware Management Company,  
a series of Delaware Management  
Business Trust  
Philadelphia, PA

#### Principal office of the Funds

2005 Market Street  
Philadelphia, PA 19103-7057

#### Independent registered public accounting firm

Ernst & Young LLP  
2001 Market Street  
Philadelphia, PA 19103

#### Registrar and stock transfer agent

BNY Mellon Shareowner Services  
480 Washington Blvd.  
Jersey City, NJ 07310  
800 851-9677

#### For securities dealers and financial institutions representatives

800 362-7500

#### Web site

[www.delawareinvestments.com](http://www.delawareinvestments.com)

*Delaware Investments is the marketing  
name of Delaware Management Holdings,  
Inc. and its subsidiaries.*

#### Number of recordholders as of

Sept. 30, 2008:

|                                    |     |
|------------------------------------|-----|
| Arizona Municipal Income Fund      | 58  |
| Colorado Municipal Income Fund     | 134 |
| Minnesota Municipal Income Fund II | 637 |
| National Municipal Income Fund     | 115 |

Item 2. Code of Ethics

Not applicable.

Item 3. Audit Committee Financial Expert

Not applicable.

Item 4. Principal Accountant Fees and Services

Not applicable.

Item 5. Audit Committee of Listed Registrants

Not applicable.

Item 6. Investments

(a) Included as part of report to shareholders filed under Item 1 of this Form N-CSR.

(b) Divestment of securities in accordance with Section 13(c) of the Investment Company Act of 1940.

Not applicable.

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

The registrant has formally delegated to its investment adviser(s) (the "Adviser") the ability to make all proxy voting decisions in relation to portfolio securities held by the registrant. If and when proxies need to be voted on behalf of the registrant, the Adviser will vote such proxies pursuant to its Proxy Voting Policies and Procedures (the "Procedures"). The Adviser has established a Proxy Voting Committee (the "Committee") which is responsible for overseeing the Adviser's proxy voting process for the registrant. One of the main responsibilities of the Committee is to review and approve the Procedures to ensure that the Procedures are designed to allow the Adviser to vote proxies in a manner consistent with the goal of voting in the best interests of the registrant.

---

In order to facilitate the actual process of voting proxies, the Adviser has contracted with Institutional Shareholder Services ("ISS") to analyze proxy statements on behalf of the registrant and other Adviser clients and vote proxies generally in accordance with the Procedures. The Committee is responsible for overseeing ISS's proxy voting activities. If a proxy has been voted for the registrant, ISS will create a record of the vote. By no later than August 31 of each year, information (if any) regarding how the registrant voted proxies relating to portfolio securities during the most recently disclosed 12-month period ended June 30 is available without charge (i) through the registrant's website at <http://www.delawareinvestments.com>; and (ii) on the Commission's website at <http://www.sec.gov>.

The Procedures contain a general guideline that recommendations of company management on an issue (particularly routine issues) should be given a fair amount of weight in determining how proxy issues should be voted. However, the Adviser will normally vote against management's position when it runs counter to its specific Proxy Voting Guidelines (the "Guidelines"), and the Adviser will also vote against management's recommendation when it believes that such position is not in the best interests of the registrant.

As stated above, the Procedures also list specific Guidelines on how to vote proxies on behalf of the registrant. Some examples of the Guidelines are as follows: (i) generally vote for shareholder proposals asking that a majority or more of directors be independent; (ii) generally vote against proposals to require a supermajority shareholder vote; (iii) votes on mergers and acquisitions should be considered on a case-by-case basis, determining whether the transaction enhances shareholder value; (iv) generally vote against proposals to create a new class of common stock with superior voting rights; (v) generally vote re-incorporation proposals on a

case-by-case basis; (vi) votes with respect to equity-based compensation plans are generally determined on a case-by-case basis; and (vii) generally vote for proposals requesting reports on the level of greenhouse gas emissions from a company's operations and products.

Because the registrant has delegated proxy voting to the Adviser, the registrant is not expected to encounter any conflict of interest issues regarding proxy voting and therefore does not have procedures regarding this matter. However, the Adviser does have a section in its Procedures that addresses the possibility of conflicts of interest. Most proxies which the Adviser receives on behalf of the registrant are voted by ISS in accordance with the Procedures. Because almost all registrant proxies are voted by ISS pursuant to the pre-determined Procedures, it normally will not be necessary for the Adviser to make an actual determination of how to vote a particular proxy, thereby largely eliminating conflicts of interest for the Adviser during the proxy voting process. In the very limited instances where the Adviser is considering voting a proxy contrary to ISS's recommendation, the Committee will first assess the issue to see if there is any possible conflict of interest involving the Adviser or affiliated persons of the Adviser. If a member of the Committee has actual knowledge of a conflict of interest, the Committee will normally use another independent third party to do additional research on the particular proxy issue in order to make a recommendation to the Committee on how to vote the proxy in the best interests of the registrant. The Committee will then review the proxy voting materials and recommendation provided by ISS and the independent third party to determine how to vote the issue in a manner which the Committee believes is consistent with the Procedures and in the best interests of the registrant.

---

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

Applicable to Form N-CSRs filed after fiscal years ending on or after December 31, 2005.

Not applicable.

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

Not applicable.

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

Not applicable.

#### Item 11. Controls and Procedures

The registrant's principal executive officer and principal financial officer have evaluated the registrant's disclosure controls and procedures within 90 days of the filing of this report and have concluded that they are effective in providing reasonable assurance that the information required to be disclosed by the registrant in its reports or statements filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission.

There were no significant changes in the registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by the report to stockholders included herein (i.e., the registrant's second fiscal quarter) that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

#### Item 12. Exhibits

(a) (1) Code of Ethics

Not applicable.

(2) Certifications of Principal Executive Officer and Principal Financial Officer pursuant to Rule 30a-2 under the Investment Company Act of 1940 are attached hereto as Exhibit 99.CERT.

(3) Written solicitations to purchase securities pursuant to Rule 23c-1 under the Securities Exchange Act of 1934.

Not applicable.

(b) Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 are furnished herewith as Exhibit 99.906CERT.

---

### 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.

**Name of Registrant:** Delaware Investments® Colorado Municipal Income Fund, Inc.

PATRICK P. COYNE

By: Patrick P. Coyne  
Title: Chief Executive Officer  
Date: November 26, 2008

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.

PATRICK P. COYNE

By: Patrick P. Coyne  
Title: Chief Executive Officer  
Date: November 26, 2008

RICHARD SALUS

By: Richard Salus  
Title: Chief Financial Officer  
Date: November 26, 2008

---