

DELAWARE INVESTMENTS MINNESOTA MUNICIPAL INCOME FUND II, INC  
Form N-CSRS  
December 05, 2012

**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:                 | 811-07420   |
| Exact name of registrant as specified in charter:   | Delaware Investments® Minnesota<br>Municipal Income Fund II, Inc.     |
| Address of principal executive offices:             | 2005 Market Street<br>Philadelphia, PA 19103                          |
| Name and address of agent for service:              | David F. Connor, Esq.<br>2005 Market Street<br>Philadelphia, PA 19103 |
| Registrant's telephone number, including area code: | (800) 523-1918  |
| Date of fiscal year end:                            | March 31  |
| Date of reporting period:                           | September 30, 2012  |

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Item 1. Reports to Stockholders

## Semiannual Report

Delaware  
Investments<sup>®</sup>  
Closed-End  
Municipal Bond  
Funds

September 30, 2012

The figures in the semiannual report for Delaware Investments Closed-End Municipal Bond Funds represent past results, which are not a guarantee of future results. A rise or fall in interest rates can have a significant impact on bond prices. Funds that invest in bonds can lose their value as interest rates rise.

### Closed-end funds

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Unless otherwise noted, views expressed herein are current as of Sept. 30, 2012, and subject to change. Information is as of the date indicated and subject to change.

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

Mutual fund advisory services are provided by Delaware Management Company, a series of Delaware Management Business Trust, which is a registered investment advisor. Delaware Investments, a member of Macquarie Group, refers to Delaware Management Holdings, Inc. and its subsidiaries. Macquarie Group refers to Macquarie Group Limited and its subsidiaries and affiliates worldwide.

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## Fund basics

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

As of September 30, 2012

**Fund objective**

The Fund seeks to provide current income exempt from both regular federal income tax and Colorado state personal income tax, consistent with the preservation of capital.

**Total Fund net assets**

\$75 million

**Number of holdings**

77

**Fund start date**

July 29, 1993

**CUSIP number**

246101109

**Delaware Investments  
National Municipal Income Fund**

As of September 30, 2012

**Fund objective**

The Fund seeks to provide current income exempt from regular federal income tax, consistent with the preservation of capital.

**Total Fund net assets**

\$68 million

**Number of holdings**

161

**Fund start date**

Feb. 26, 1993

**CUSIP number**

24610T108

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

As of September 30, 2012

**Fund objective**

The Fund seeks to provide current income exempt from both regular federal income tax and Minnesota state personal income tax, consistent with the preservation of capital.

**Total Fund net assets**

\$179 million

**Number of holdings**

136

**Fund start date**

Feb. 26, 1993

**CUSIP number**

24610V103

## Security type/Sector/State allocations

As of September 30, 2012

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

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

| Security type/Sector                                   | Percentage<br>of Net Assets |
|--|-----------------------------|
| <b>Municipal Bonds</b>                                 | <b>138.45%</b>              |
| Corporate-Backed Revenue Bond                          | 1.27%                       |
| Education Revenue Bonds                                | 21.12%                      |
| Electric Revenue Bonds                                 | 5.81%                       |
| Healthcare Revenue Bonds                               | 30.35%                      |
| Housing Revenue Bonds                                  | 2.48%                       |
| Lease Revenue Bonds                                    | 10.62%                      |
| Local General Obligation Bonds                         | 13.77%                      |
| Pre-Refunded Bonds                                     | 3.16%                       |
| Special Tax Revenue Bonds                              | 34.27%                      |
| State & Territory General Obligation Bonds             | 2.48%                       |
| Transportation Revenue Bonds                           | 8.37%                       |
| Water & Sewer Revenue Bonds                            | 4.75%                       |
| <b>Total Value of Securities</b>                       | <b>138.45%</b>              |
| <b>Liquidation Value of Preferred Stock</b>            | <b>(39.74%)</b>             |
| <b>Receivables and Other Assets Net of Liabilities</b> | <b>1.29%</b>                |
| <b>Total Net Assets</b>                                | <b>100.00%</b>              |

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

| Security type/Sector                                   | Percentage<br>of Net Assets |
|--|-----------------------------|
| <b>Municipal Bonds</b>                                 | <b>142.88%</b>              |
| Corporate-Backed Revenue Bonds                         | 11.58%                      |
| Education Revenue Bonds                                | 16.56%                      |
| Electric Revenue Bonds                                 | 6.44%                       |
| Healthcare Revenue Bonds                               | 38.09%                      |
| Housing Revenue Bonds                                  | 6.65%                       |
| Lease Revenue Bonds                                    | 8.72%                       |
| Local General Obligation Bonds                         | 10.20%                      |
| Pre-Refunded/Escrowed to Maturity Bonds                | 21.75%                      |
| Special Tax Revenue Bonds                              | 9.27%                       |
| State & Territory General Obligation Bonds             | 9.85%                       |
| Transportation Revenue Bonds                           | 2.16%                       |
| Water & Sewer Revenue Bonds                            | 1.61%                       |
| <b>Total Value of Securities</b>                       | <b>142.88%</b>              |
| <b>Liquidation Value of Preferred Stock</b>            | <b>(42.01%)</b>             |
| <b>Liabilities Net of Receivables and Other Assets</b> | <b>(0.87%)</b>              |
| <b>Total Net Assets</b>                                | <b>100.00%</b>              |

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

**Delaware Investments®  
National Municipal Income Fund**

| Security type/Sector                                   | Percentage of Net Assets |
|--|--------------------------|
| <b>Municipal Bonds</b>                                 | <b>142.25%</b>           |
| Corporate-Backed Revenue Bonds                         | 17.22%                   |
| Education Revenue Bonds                                | 22.15%                   |
| Electric Revenue Bonds                                 | 5.13%                    |
| Healthcare Revenue Bonds                               | 24.18%                   |
| Housing Revenue Bonds                                  | 2.47%                    |
| Lease Revenue Bonds                                    | 12.59%                   |
| Local General Obligation Bonds                         | 3.61%                    |
| Pre-Refunded Bond                                      | 1.86%                    |
| Special Tax Revenue Bonds                              | 18.41%                   |
| State & Territory General Obligation Bonds             | 9.53%                    |
| Transportation Revenue Bonds                           | 19.44%                   |
| Water & Sewer Revenue Bonds                            | 5.66%                    |
| <b>Short-Term Investments</b>                          | <b>1.10%</b>             |
| <b>Total Value of Securities</b>                       | <b>143.35%</b>           |
| <b>Liquidation Value of Preferred Stock</b>            | <b>(44.15%)</b>          |
| <b>Receivables and Other Assets Net of Liabilities</b> | <b>0.80%</b>             |
| <b>Total Net Assets</b>                                | <b>100.00%</b>           |

|                 | (as a % of fixed income investments) |
|-----------------|--------------------------------------|
| State           |                                      |
| Alaska          | 0.34%                                |
| Arizona         | 15.12%                               |
| California      | 13.09%                               |
| Colorado        | 1.11%                                |
| Delaware        | 0.56%                                |
| Florida         | 4.13%                                |
| Georgia         | 1.61%                                |
| Guam            | 1.14%                                |
| Hawaii          | 0.34%                                |
| Idaho           | 1.14%                                |
| Illinois        | 1.13%                                |
| Iowa            | 0.54%                                |
| Kansas          | 0.17%                                |
| Louisiana       | 1.76%                                |
| Maine           | 0.36%                                |
| Maryland        | 2.56%                                |
| Massachusetts   | 1.03%                                |
| Minnesota       | 0.26%                                |
| Missouri        | 2.26%                                |
| New Hampshire   | 0.36%                                |
| New Jersey      | 3.83%                                |
| New Mexico      | 0.56%                                |
| New York        | 18.75%                               |
| Ohio            | 1.75%                                |
| Oregon          | 2.59%                                |
| Pennsylvania    | 7.80%                                |
| Puerto Rico     | 6.45%                                |
| Tennessee       | 0.58%                                |
| Texas           | 5.62%                                |
| Virginia        | 1.86%                                |
| Washington D.C. | 0.28%                                |
| West Virginia   | 0.63%                                |
| Wyoming         | 0.29%                                |
| <b>Total</b>    | <b>100.00%</b>                       |





## Statements of net assets

**Delaware Investments® Colorado Municipal Income Fund, Inc.**  
September 30, 2012 (Unaudited)

|  | Principal<br>Amount   | Value   |
|--|---|---|
| <b>Municipal Bonds 138.45%</b>   |   |   |
| Corporate-Backed Revenue Bond 1.27%  |   |   |
| Public Authority for Colorado Energy<br>Natural Gas Revenue Series 2008<br>6.50% 11/15/38  | \$ 750,000  | \$ 958,343  |
|  |   | 958,343   |
| <b>Education Revenue Bonds 21.12%</b>  |   |   |
| Colorado Educational & Cultural<br>Facilities Authority Revenue<br>(Academy Charter School Project)<br>5.50% 5/1/36 (SGI)<br>(Bromley Charter School Project)<br>5.25% 9/15/32 (SGI)<br>(Johnson & Wales University Project)<br>Series A 5.00% 4/1/28 (SGI)<br>(Littleton Charter School Project)<br>4.375% 1/15/36 (ASSURED GTY)<br>(Student Housing - Campus<br>Village Apartments) 5.00% 6/1/23 | 1,720,000<br>3,245,000<br>3,000,000<br>1,200,000<br>1,065,000                   | 1,752,542<br>3,350,398<br>3,011,700<br>1,193,856<br>1,196,400                   |
| Colorado State Board of Governors<br>Revenue (University Enterprise<br>System) Series A 5.00% 3/1/39   | 700,000   | 774,137   |
| University of Colorado 5.00% 6/1/31  | 3,185,000   | 3,776,486   |
| University of Colorado Enterprise<br>Systems Revenue Series A<br>5.375% 6/1/38   | 750,000   | 884,558   |
|  |   | 15,940,077  |
| <b>Electric Revenue Bonds 5.81%</b>  |   |   |
| Colorado Springs Utilities System<br>Improvement Revenue Series C<br>5.50% 11/15/48  | 750,000   | 882,165   |
| Platte River Power Authority Revenue<br>Series HH 5.00% 6/1/28   | 1,500,000   | 1,748,730   |
| Puerto Rico Electric Power<br>Authority Revenue<br>Series TT 5.00% 7/1/37<br>Series WW 5.50% 7/1/38<br>Series XX 5.25% 7/1/40  | 685,000<br>300,000<br>750,000   | 685,952<br>314,661<br>755,880   |
|  |   | 4,387,388   |
| <b>Healthcare Revenue Bonds 30.35%</b>   |   |   |
| Aurora Hospital Revenue (Children's<br>Hospital Association Project)<br>Series A 5.00% 12/1/40   | 2,000,000   | 2,208,080   |
| Colorado Health Facilities<br>Authority Revenue<br>(Boulder Community Hospital<br>Project) 5.00% 10/1/32<br>(Catholic Health Initiatives)<br>Series A 5.00% 7/1/39<br>Series A 5.00% 2/1/41<br>Series A 5.25% 2/1/33<br>Series C-1 5.10% 10/1/41 (AGM)<br>Series D 6.125% 10/1/28<br>(Christian Living<br>Communities Project)<br>6.375% 1/1/41  | 500,000<br>750,000<br>2,400,000<br>1,625,000<br>1,000,000<br>750,000<br>615,000 | 559,505<br>809,415<br>2,630,184<br>1,881,945<br>1,072,380<br>889,073<br>680,030 |

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|                       |  |           |            |
|-----------------------|--|-----------|------------|
|                       | Series A 5.75% 1/1/37                  | 885,000   | 912,833    |
|                       | (Covenant Retirement                   |           |            |
|                       | Communities) 5.00% 12/1/33             | 1,000,000 | 1,055,030  |
|                       | (Evangelical Lutheran Good             |           |            |
|                       | Samaritan Society) 5.25% 6/1/23        | 1,000,000 | 1,076,610  |
|                       | (National Jewish Health Project)       |           |            |
|                       | 5.00% 1/1/27                           | 500,000   | 536,140    |
|                       | (Sisters of Charity of Leavenworth     |           |            |
|                       | Health System) 5.00% 1/1/40            | 4,750,000 | 5,175,932  |
|                       | (Total Long-Term Care) Series A        |           |            |
|                       | 6.00% 11/15/30                         | 400,000   | 452,224    |
|                       | Colorado Springs Hospital Revenue      |           |            |
|                       | 6.25% 12/15/33                         | 750,000   | 856,050    |
|                       | Denver Health & Hospital Authority     |           |            |
|                       | Revenue (Recovery Zone Facilities)     |           |            |
|                       | 5.625% 12/1/40                         | 750,000   | 820,275    |
|                       | University of Colorado Hospital        |           |            |
|                       | Authority Revenue Series A             |           |            |
|                       | 5.00% 11/15/37                         | 500,000   | 533,910    |
|                       | 6.00% 11/15/29                         | 650,000   | 758,199    |
|                       |  |           | 22,907,815 |
| Housing Revenue Bonds | 2.48%                                  |           |            |
|                       | Colorado Housing & Finance             |           |            |
|                       | Authority (Single Family               |           |            |
|                       | Mortgage - Class 1) Series A           |           |            |
|                       | 5.50% 11/1/29 (FHA) (VA) (HUD)         | 400,000   | 415,184    |
|                       | Puerto Rico Housing Finance            |           |            |
|                       | Authority Subordinated-Capital         |           |            |
|                       | Fund Modernization                     |           |            |
|                       | 5.125% 12/1/27                         | 1,000,000 | 1,106,870  |
|                       | 5.50% 12/1/18                          | 300,000   | 351,135    |
|                       |  |           | 1,873,189  |
| Lease Revenue Bonds   | 10.62%                                 |           |            |
|                       | Aurora Certificates of Participation   |           |            |
|                       | Refunding Series A                     |           |            |
|                       | 5.00% 12/1/30                          | 630,000   | 715,775    |
|                       | Colorado State Building Excellent      |           |            |
|                       | Schools Today Certificates of          |           |            |
|                       | Participation Series G                 |           |            |
|                       | 5.00% 3/15/32                          | 2,000,000 | 2,294,599  |
|                       | Glendale Certificates of Participation |           |            |
|                       | 5.00% 12/1/25 (SGI)                    | 1,500,000 | 1,624,065  |
|                       | Pueblo County Certificates of          |           |            |
|                       | Participation (County Judicial         |           |            |
|                       | Complex Project)                       |           |            |
|                       | 5.00% 9/15/42 (AGM)                    | 2,000,000 | 2,267,600  |

|  | Principal<br>Amount  | Value  |
|--|--|--|
| <b>Municipal Bonds (continued)</b>   |  |  |
| Lease Revenue Bonds (continued)  |  |  |
| Puerto Rico Public Buildings<br>Authority Revenue (Guaranteed<br>Government Facilities) Series M-2<br>5.50% 7/1/35 (AMBAC)   | \$ 550,000   | \$ 590,563   |
| Regional Transportation District<br>Certificates of Participation<br>Series A 5.375% 6/1/31  | 460,000  | 528,264  |
|  |  | 8,020,866  |
| Local General Obligation Bonds 13.77%  |  |  |
| Arapahoe County School District #1<br>Englewood 5.00% 12/1/31  | 2,935,000  | 3,534,502  |
| Boulder, Larimer & Weld Counties<br>St. Vrain Valley School District<br>No. Re-1J 5.00% 12/15/33   | 750,000  | 863,558  |
| Bowles Metropolitan District<br>5.00% 12/1/33 (AGM)  | 2,000,000  | 2,042,139  |
| Denver City & County<br>(Better Denver & Zoo)<br>Series A 5.00% 8/1/25   | 1,150,000  | 1,379,966  |
| Denver International Business Center<br>Metropolitan District #1<br>5.00% 12/1/30  | 650,000  | 685,861  |
| Jefferson County School District #R-1<br>5.25% 12/15/24  | 750,000  | 995,423  |
| Rangely Hospital District<br>6.00% 11/1/26   | 750,000  | 894,585  |
|  |  | 10,396,034   |
| §Pre-Refunded Bonds 3.16%  |  |  |
| Adams & Arapahoe Counties Joint<br>School District #28J (Aurora)<br>6.00% 12/1/28-18   | 600,000  | 780,120  |
| Arapahoe County Water &<br>Wastewater Public Improvement<br>District Series A 5.125%<br>12/1/32-12 (NATL-RE)   | 635,000  | 640,499  |
| Colorado Health Facilities Authority<br>Revenue (Evangelical Lutheran<br>Good Samaritan Society) Series A<br>6.125% 6/1/38-14  | 750,000  | 822,292  |
| Sand Creek Metropolitan District<br>5.00% 12/1/31-13 (SGI)   | 135,000  | 142,362  |
|  |  | 2,385,273  |
| Special Tax Revenue Bonds 34.27%   |  |  |
| Denver Convention Center Hotel<br>Authority Revenue Refunding<br>5.00% 12/1/35 (SGI)   | 2,795,000  | 2,874,965  |
| Guam Government Business Privilege<br>Tax Revenue Series A<br>5.125% 1/1/42<br>5.25% 1/1/36  | 435,000<br>565,000   | 486,269<br>641,388   |
| Puerto Rico Infrastructure Financing<br>Authority Special Tax Revenue<br>Series B 5.00% 7/1/41   | 2,475,000  | 2,472,921  |
| Puerto Rico Sales Tax Financing<br>Revenue First Subordinate<br>Series A 5.50% 8/1/37<br>Series A 5.50% 8/1/42<br>Series A 5.75% 8/1/37<br>Series A-1 5.00% 8/1/43<br>Series C 5.00% 8/1/40<br>Series C 5.00% 8/1/46 | 700,000<br>1,000,000<br>590,000<br>2,000,000<br>1,000,000<br>750,000 | 752,591<br>1,067,990<br>654,399<br>2,084,760<br>1,080,380<br>804,893 |

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|   |           |                    |
|---|-----------|--------------------|
| Series C 6.00% 8/1/39                                       | 500,000   | 562,235            |
| <b>Regional Transportation District</b>                     |           |                    |
| Revenue (FasTracks Project) Series A                        |           |                    |
| 4.375% 11/1/31 (AMBAC)                                      | 1,250,000 | 1,316,425          |
| 4.50% 11/1/36 (AGM)   | 3,000,000 | 3,170,970          |
| 5.00% 11/1/28 (AMBAC)                                       | 2,500,000 | 2,870,950          |
| 5.00% 11/1/38   | 4,085,000 | 4,660,126          |
| <b>Sand Creek Metropolitan District</b>                     |           |                    |
| 5.00% 12/1/31 (SGI)   | 365,000   | 367,894            |
|   |           | 25,869,156         |
| <b>State &amp; Territory General Obligation Bonds 2.48%</b> |           |                    |
| <b>Puerto Rico Commonwealth</b>                             |           |                    |
| (Public Improvement)  |           |                    |
| Series A 5.00% 7/1/41                                       | 500,000   | 502,455            |
| Series C 6.00% 7/1/39                                       | 505,000   | 534,058            |
| <b>Western State College 5.00% 5/15/34</b>                  | 750,000   | 838,365            |
|   |           | 1,874,878          |
| <b>Transportation Revenue Bonds 8.37%</b>                   |           |                    |
| <b>Denver City &amp; County Airport System</b>              |           |                    |
| Revenue Series A 5.25% 11/15/36                             | 750,000   | 847,050            |
| <b>E-470 Public Highway Authority</b>                       |           |                    |
| Revenue Series C 5.25% 9/1/25                               | 310,000   | 339,391            |
| <b>Puerto Rico Highway &amp; Transportation</b>             |           |                    |
| Authority Revenue Series K                                  |           |                    |
| 5.00% 7/1/30  | 2,580,000 | 2,602,601          |
| <b>Regional Transportation District</b>                     |           |                    |
| Revenue (Denver Transit Partners)                           |           |                    |
| 6.00% 1/15/41   | 2,175,000 | 2,526,197          |
|   |           | 6,315,239          |
| <b>Water &amp; Sewer Revenue Bonds 4.75%</b>                |           |                    |
| <b>Colorado Water Resources &amp; Power</b>                 |           |                    |
| Development Authority Revenue                               |           |                    |
| (Parker Water & Sanitation                                  |           |                    |
| District) Series D  |           |                    |
| 5.125% 9/1/34 (NATL-RE)                                     | 1,500,000 | 1,537,500          |
| 5.25% 9/1/43 (NATL-RE)                                      | 2,000,000 | 2,047,120          |
|   |           | 3,584,620          |
| <b>Total Municipal Bonds</b>                                |           |                    |
| (cost \$96,709,911)   |           | <b>104,512,878</b> |

(continues) 5

## Statements of net assets

Delaware Investments<sup>®</sup> Colorado Municipal Income Fund, Inc.

|  |    |                     |
|--|----|---------------------|
| <b>Total Value of Securities</b> 138.45%                                     |    |                     |
| (cost \$96,709,911)  |    |                     |
|  | \$ | <b>104,512,878</b>  |
| <b>Liquidation Value of Preferred</b>  |    |                     |
| <b>Stock</b> (39.74%)  |    | <b>(30,000,000)</b> |
| <b>Receivables and Other Assets</b>  |    |                     |
| <b>Net of Liabilities</b> 1.29%  |    | <b>976,219</b>      |
| <b>Net Assets Applicable to 4,837,100</b>                                    |    |                     |
| <b>Shares Outstanding; Equivalent to</b>                                     |    |                     |
| <b>\$15.61 Per Share</b> 100.00%   | \$ | <b>75,489,097</b>   |
| <b>Components of Net Assets at September 30, 2012:</b>                       |    |                     |
| Common stock, \$0.01 par value, 200 million shares<br>authorized to the Fund | \$ | 66,918,121          |
| Undistributed net investment income  |    | 711,778             |
| Accumulated net realized gain on investments                                 |    | 56,231              |
| Net unrealized appreciation of investments                                   |    | 7,802,967           |
| Total net assets   | \$ | 75,489,097          |

Variable rate security. The rate shown is the rate as of September 30, 2012. Interest rates reset periodically.

§Pre-refunded bonds. Municipal bonds 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 9 in Notes to financial statements.

See Note 6 in Notes to financial statements.

### Summary of Abbreviations:

AGM Insured by Assured Guaranty Municipal Corporation  
 AMBAC Insured by AMBAC Assurance Corporation  
 ASSURED GTY Insured by Assured Guaranty Corporation  
 FHA Federal Housing Administration  
 HUD Housing & Urban Development Section 8  
 NATL-RE Insured by National Public Finance Guarantee Corporation  
 SGI Insured by Syncora Guarantee Inc.  
 VA Veterans Administration collateral

See accompanying notes, which are an integral part of the financial statements.

**Delaware Investments® Minnesota Municipal Income Fund II, Inc.**  
September 30, 2012 (Unaudited)

|   | Principal<br>Amount   | Value   |
|---|---|---|
| <b>Municipal Bonds 142.88%</b>  |   |   |
| <b>Corporate-Backed Revenue Bonds 11.58%</b>  |   |   |
| Cloquet Pollution Control Revenue<br>(Potlatch Project) 5.90% 10/1/26   | \$ 5,500,000  | \$ 5,515,620  |
| Laurentian Energy Authority<br>Cogeneration Revenue<br>Series A 5.00% 12/1/21   | 3,325,000   | 3,490,851   |
| Sartell Environmental Improvement<br>Revenue (International Paper)<br>Series A 5.20% 6/1/27   | 1,000,000   | 1,017,250   |
| Tobacco Securitization Authority<br>Revenue (Tobacco Settlement)<br>Series B 5.25% 3/1/26   | 2,000,000   | 2,289,060   |
| 5.25% 3/1/31  | 7,400,000   | 8,365,182   |
|   |   | <u>20,677,963</u>   |
| <b>Education Revenue Bonds 16.56%</b>   |   |   |
| Baytown Township Lease Revenue<br>(St. Croix Preparatory Academy)<br>5.75% 8/1/42   | 300,000   | 301,746   |
| Minnesota Higher Education<br>Facilities Authority Revenue<br>(Augsburg College)<br>Series 6-J1 5.00% 5/1/28<br>(Carleton College)<br>Series D 5.00% 3/1/30<br>Series 6-T 5.00% 1/1/28<br>(College of St. Benedict)<br>Series 5-W 5.00% 3/1/20<br>Series 7-M<br>5.00% 3/1/31<br>5.125% 3/1/36<br>(St. Catherine University)<br>Series 7-Q 5.00% 10/1/32<br>(St. Mary's University)<br>Series 5-U 4.80% 10/1/23<br>(St. Scholastic College)<br>Series H 5.25% 12/1/35<br>(University of St. Thomas)<br>Series 6-X 5.00% 4/1/29<br>Series 7-A 5.00% 10/1/39 | 1,500,000<br>1,120,000<br>1,000,000<br>2,000,000<br>300,000<br>275,000<br>700,000<br>1,400,000<br>1,000,000<br>2,250,000<br>1,000,000 | 1,546,035<br>1,289,165<br>1,159,020<br>2,019,160<br>320,988<br>292,245<br>795,291<br>1,423,226<br>1,101,800<br>2,459,768<br>1,121,200 |
| Minnesota State<br>Colleges & Universities<br>Series A 4.00% 10/1/17  | 750,000   | 864,683   |
| St. Paul Housing & Redevelopment<br>Authority Charter School<br>Lease Revenue<br>(Nova Classical Academy)<br>Series A 6.375% 9/1/31   | 750,000   | 822,068   |
| University of Minnesota<br>Series A<br>5.00% 12/1/27<br>5.00% 12/1/28<br>5.00% 12/1/29<br>5.00% 12/1/31<br>5.00% 12/1/36<br>5.25% 4/1/29<br>Series C 5.00% 12/1/19  | 1,110,000<br>1,880,000<br>2,265,000<br>1,000,000<br>3,000,000<br>1,000,000<br>1,290,000   | 1,375,867<br>2,321,292<br>2,781,850<br>1,216,150<br>3,547,979<br>1,187,010<br>1,609,804   |
|   |   | 29,556,347  |
| <b>Electric Revenue Bonds 6.44%</b>   |   |   |
| Central Minnesota Municipal   |   |   |

|                          |  |  |  |  |
|--------------------------|--|--|--|--|
|                          | Power Agency Revenue<br>(Brookings Southeast Twin<br>Cities Transportation)<br>5.00% 1/1/32  |  | 1,130,000                                    | 1,307,998                                      |
|                          | Chaska Electric Revenue<br>(Generating Facilities)<br>Series A 5.25% 10/1/25   |  | 250,000                                      | 269,843  |
|                          | Minnesota Municipal Power Agency<br>Electric Revenue Series A<br>5.00% 10/1/34<br>5.25% 10/1/19  |  | 1,900,000<br>1,610,000                       | 2,037,142<br>1,745,111                         |
|                          | Southern Minnesota Municipal<br>Power Agency Supply Revenue<br>Series A 5.25% 1/1/30   |  | 1,000,000                                    | 1,143,720                                      |
|                          | Western Minnesota Municipal Power<br>Agency Supply Revenue Series A<br>5.00% 1/1/25<br>5.00% 1/1/26  |  | 3,000,000<br>1,000,000                       | 3,747,209<br>1,238,730                         |
|                          |  |  |  | 11,489,753                                     |
| Healthcare Revenue Bonds | 38.09%   |  |  |  |
|                          | Anoka Health Care Facility<br>Revenue (Homestead<br>Anoka Income Project)<br>Series A 7.00% 11/1/46  |  | 1,200,000                                    | 1,281,588                                      |
|                          | Center City Health Care<br>Facilities Revenue (Hazelden<br>Foundation Project)<br>4.75% 11/1/31<br>5.00% 11/1/41   |  | 850,000<br>1,600,000                         | 912,603<br>1,740,608                           |
|                          | Duluth Economic Development<br>Authority Revenue<br>(St. Lukes Hospital<br>Authority Obligation Group)<br>5.75% 6/15/32<br>6.00% 6/15/39   |  | 200,000<br>800,000                           | 206,746<br>830,320                             |
|                          | Fergus Falls Health Care Facilities<br>Revenue (Lake Region Healthcare)<br>5.00% 8/1/30  |  | 1,000,000                                    | 1,048,730                                      |
|                          | Glencoe Health Care Facilities<br>Revenue (Glencoe Regional<br>Health Services Project)<br>5.00% 4/1/25  |  | 2,000,000                                    | 2,030,460                                      |
|                          | Maple Grove Health Care System<br>Revenue (Maple Grove Hospital)<br>5.25% 5/1/37   |  | 1,100,000                                    | 1,156,881                                      |
|                          | Minneapolis Health Care System<br>Revenue (Fairview Health Services)<br>Series A 6.375% 11/15/23<br>Series A 6.625% 11/15/28<br>Series B 6.50% 11/15/38<br>(ASSURED GTY)<br>Series D 5.00% 11/15/34<br>(AMBAC) |  | 605,000<br>850,000<br>2,295,000<br>2,000,000 | 732,909<br>1,024,242<br>2,851,744<br>2,074,600 |

(continues) 7

## Statements of net assets

Delaware Investments® Minnesota Municipal Income Fund II, Inc.

|  | Principal<br>Amount   | Value   |
|--|---|---|
| <b>Municipal Bonds (continued)</b>   |   |   |
| Healthcare Revenue Bonds (continued)   |   |   |
| Minneapolis Revenue (National Marrow Donor Program Project)<br>4.875% 8/1/25   | \$ 1,000,000  | \$ 1,040,530  |
| Minnesota Agricultural & Economic Development Board Revenue<br>Un-Refunded Balance Series A<br>5.75% 11/15/26 (NATL-RE)<br>6.375% 11/15/29   | 100,000<br>195,000  | 100,180<br>195,421  |
| Rochester Health Care & Housing Revenue (Samaritan Bethany)<br>Series A 7.375% 12/1/41   | 1,220,000   | 1,378,417   |
| Rochester Health Care Facilities Revenue (Mayo Clinic)<br>4.00% 11/15/41<br>Series C 4.50% 11/15/38  | 8,780,000<br>2,000,000  | 9,264,743<br>2,433,580  |
| Sartell Health Care Facility Revenue (Country Manor Campus Project)<br>5.25% 9/1/30  | 1,000,000   | 1,015,810   |
| Shakopee Health Care Facilities Revenue (St. Francis Regional Medical Center) 5.25% 9/1/34   | 1,560,000   | 1,594,710   |
| St. Cloud Health Care Revenue (Centracare Health System Project)<br>5.50% 5/1/39 (ASSURED GTY)<br>Series A 5.125% 5/1/30   | 1,500,000<br>4,425,000  | 1,672,560<br>4,917,767  |
| St. Louis Park Health Care Facilities Revenue (Park Nicollet Health Services)<br>5.75% 7/1/39<br>Series C 5.50% 7/1/23   | 3,315,000<br>1,000,000  | 3,746,414<br>1,127,310  |
| St. Paul Housing & Redevelopment Authority Health Care Revenue (Allina Health System)<br>Series A 5.00% 11/15/18 (NATL-RE)<br>Series A-1 5.25% 11/15/29 (Childrens Health Care Facilities)<br>Series A1 5.00% 8/15/34 (AGM) (Franciscan Health Elderly Project)<br>5.40% 11/20/42 (GNMA) (FHA) (Health East Project)<br>6.00% 11/15/30<br>6.00% 11/15/35 (Health Partners Obligation Group Project) 5.25% 5/15/36 (Regions Hospital Project)<br>5.30% 5/15/28 (Senior Carondelet Village Project)<br>Series A 6.00% 8/1/42 | 1,380,000<br>1,395,000<br>500,000<br>2,700,000<br>2,775,000<br>2,500,000<br>2,000,000<br>1,000,000<br>770,000 | 1,613,165<br>1,568,887<br>551,790<br>2,705,373<br>2,931,621<br>2,626,075<br>2,090,740<br>1,001,110<br>820,212 |
| Washington County Housing & Redevelopment Authority Revenue (Birchwood & Woodbury Projects) Series A 5.625% 6/1/37   | 1,500,000   | 1,529,460   |
| Wayzata Senior Housing Revenue (Folkestone Senior Living)  |   |   |



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|                       |                                   |           |                   |
|-----------------------|-----------------------------------|-----------|-------------------|
|                       | Community) Series A               |           |                   |
|                       | 5.50% 11/1/32                     | 420,000   | 434,204           |
|                       | 5.75% 11/1/39                     | 945,000   | 987,251           |
|                       | 6.00% 5/1/47                      | 1,475,000 | 1,555,845         |
|                       | Winona Health Care Facilities     |           |                   |
|                       | Revenue (Winona Health            |           |                   |
|                       | Obligated Group)                  |           |                   |
|                       | 4.65% 7/1/26                      | 465,000   | 488,492           |
|                       | 4.75% 7/1/27                      | 785,000   | 824,540           |
|                       | 5.00% 7/1/23                      | 1,010,000 | 1,099,607         |
|                       | 5.00% 7/1/34                      | 750,000   | 793,823           |
|                       |                                   |           | <b>68,001,068</b> |
| Housing Revenue Bonds | 6.65%                             |           |                   |
|                       | Minneapolis Multifamily           |           |                   |
|                       | Housing Revenue                   |           |                   |
|                       | (Gaar Scott Loft Project)         |           |                   |
|                       | 5.95% 5/1/30 (AMT)                |           |                   |
|                       | (LOC-U.S. Bank N.A.)              | 845,000   | 847,527           |
|                       | (Olson Townhomes Project)         |           |                   |
|                       | 6.00% 12/1/19 (AMT)               | 655,000   | 655,269           |
|                       | (Seward Towers Project)           |           |                   |
|                       | 5.00% 5/20/36 (GNMA)              | 2,000,000 | 2,057,320         |
|                       | (Sumner Housing Project) Series A |           |                   |
|                       | 5.15% 2/20/45 (GNMA) (AMT)        | 2,000,000 | 2,021,840         |
|                       | Minnesota State Housing Finance   |           |                   |
|                       | Agency Revenue (Mortgage          |           |                   |
|                       | Backed Securities Program)        |           |                   |
|                       | 4.40% 7/1/32 (GNMA)               | 1,485,000 | 1,532,772         |
|                       | (FNMA) (FHLMC)                    |           |                   |
|                       | (Rental Housing)                  |           |                   |
|                       | Series A 5.00% 2/1/35 (AMT)       | 1,000,000 | 1,008,600         |
|                       | (Residential Housing)             |           |                   |
|                       | Series D 4.75% 7/1/32 (AMT)       | 915,000   | 943,026           |
|                       | Series I 5.15% 7/1/38 (AMT)       | 635,000   | 655,396           |
|                       | Series L 5.10% 7/1/38 (AMT)       | 1,345,000 | 1,397,778         |
|                       | Washington County Housing &       |           |                   |
|                       | Redevelopment Authority           |           |                   |
|                       | Revenue (Woodland Park            |           |                   |
|                       | Apartments Project)               |           |                   |
|                       | 4.70% 10/1/32                     | 750,000   | 752,430           |
|                       |                                   |           | <b>11,871,958</b> |
| Lease Revenue Bonds   | 8.72%                             |           |                   |
|                       | Andover Economic Development      |           |                   |
|                       | Authority Public Facilities       |           |                   |
|                       | Lease Revenue (Andover            |           |                   |
|                       | Community Center)                 |           |                   |
|                       | 5.125% 2/1/24                     | 205,000   | 216,347           |
|                       | 5.20% 2/1/29                      | 410,000   | 433,104           |

|  | Principal<br>Amount | Value        |
|--|---------------------|--------------|
| <b>Municipal Bonds (continued)</b>   |                     |              |
| Lease Revenue Bonds (continued)  |                     |              |
| St. Paul Port Authority Lease Revenue<br>(Cedar Street Office Building Project)<br>5.00% 12/1/22   | \$ 2,385,000        | \$ 2,404,080 |
| 5.25% 12/1/27<br>(Robert Street Office<br>Building Project)<br>Series 3-11 5.00% 12/1/27   | 2,800,000           | 2,820,804    |
| University of Minnesota<br>Special Purpose Revenue<br>(State Supported Biomed<br>Science Research)<br>5.00% 8/1/35   | 1,040,000           | 1,202,822    |
| 5.00% 8/1/36   | 4,000,000           | 4,690,000    |
| Virginia Housing & Redevelopment<br>Authority Health Care Facility<br>Lease Revenue<br>5.25% 10/1/25   | 680,000             | 707,778      |
| 5.375% 10/1/30   | 965,000             | 1,014,688    |
|  |                     | 15,573,363   |
| <b>Local General Obligation Bonds 10.20%</b>   |                     |              |
| City of Willmar (Rice Memorial<br>Hospital Project)<br>Series A 4.00% 2/1/32   | 2,940,000           | 3,213,331    |
| Dakota County Community<br>Development Agency<br>(Senior Housing Facilities)<br>Series A 5.00% 1/1/23  | 1,100,000           | 1,203,565    |
| Hopkins Independent School<br>District #270 Series A 5.00% 2/1/28  | 1,000,000           | 1,212,720    |
| Minneapolis Special School<br>District #1 5.00% 2/1/19 (AGM)   | 1,175,000           | 1,191,920    |
| Morris Independent School<br>District #769 5.00% 2/1/28<br>(NATL-RE)   | 3,750,000           | 3,803,999    |
| Rocori Independent School District #750<br>(School Building) Series B<br>5.00% 2/1/22  | 1,010,000           | 1,202,052    |
| 5.00% 2/1/24   | 1,075,000           | 1,264,125    |
| 5.00% 2/1/25   | 1,115,000           | 1,306,167    |
| 5.00% 2/1/26   | 1,155,000           | 1,347,943    |
| Thief River Falls Independent School<br>District # 564 (School Building)<br>Series A 4.00% 2/1/32  | 1,160,000           | 1,288,296    |
| Washington County Housing &<br>Redevelopment Authority Series B<br>5.50% 2/1/22 (NATL-RE)  | 525,000             | 526,901      |
| 5.50% 2/1/32 (NATL-RE)   | 655,000             | 656,369      |
|  |                     | 18,217,388   |
| <b>§Pre-Refunded/Escrowed to Maturity Bonds 21.75%</b>   |                     |              |
| Dakota-Washington Counties<br>Housing & Redevelopment<br>Authority Revenue<br>(Bloomington Single Family<br>Residential Mortgage)<br>Series B 8.375% 9/1/21<br>(GNMA) (FHA) (VA) (AMT) | 7,055,000           | 10,387,570   |
| Minneapolis-St. Paul Metropolitan<br>Airports Commission Revenue<br>Series A 5.00% 1/1/22-13 (NATL-RE)   | 600,000             | 607,488      |
| Southern Minnesota Municipal   |                     |              |

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|   |           |            |
|---|-----------|------------|
| Power Agency Supply<br>Revenue Refunding<br>Series A 5.75% 1/1/18-13  | 3,715,000 | 3,981,886  |
| St. Paul Housing & Redevelopment<br>Authority Sales Tax<br>(Civic Center Project)<br>5.55% 11/1/23                                  | 2,300,000 | 2,659,904  |
| 5.55% 11/1/23 (NATL-RE) (IBC)   | 4,200,000 | 4,857,216  |
| University of Minnesota Hospital &<br>Clinics 6.75% 12/1/16   | 2,580,000 | 3,093,523  |
| University of Minnesota Series A<br>5.50% 7/1/21  | 4,000,000 | 5,047,280  |
| 5.75% 7/1/18  | 2,500,000 | 3,134,175  |
| Western Minnesota Municipal Power<br>Agency Supply Revenue Series A<br>5.00% 1/1/30-13 (NATL-RE)                                    | 5,000,000 | 5,062,250  |
|   |           | 38,831,292 |
| Special Tax Revenue Bonds 9.27%   |           |            |
| Guam Government Business<br>Privilege Tax Revenue<br>Series A 5.25% 1/1/36  | 500,000   | 567,600    |
| Hennepin County Sales Tax Revenue<br>(Second Lien-Ballpark Project)<br>Series B 4.75% 12/15/27                                      | 1,905,000 | 2,176,805  |
| Minneapolis Community Planning &<br>Economic Development<br>Department (Limited Tax<br>Supported Common Bond Fund)<br>6.25% 12/1/30 | 1,000,000 | 1,240,980  |
| Series 1 5.50% 12/1/24 (AMT)  | 1,000,000 | 1,047,860  |
| Series 1 6.75% 12/1/25 (AMT)  | 865,000   | 869,377    |
| Series 5 5.70% 12/1/27  | 375,000   | 377,370    |
| Minnesota Public Safety Radio<br>5.00% 6/1/23   | 2,845,000 | 3,371,069  |
| Puerto Rico Sales Tax<br>Financing Revenue<br>^(Capital Appreciation) Series A<br>5.73% 8/1/44 (NATL-RE)                            | 8,485,000 | 1,398,498  |
| 5.82% 8/1/45 (NATL-RE)  | 8,690,000 | 1,345,212  |
| First Subordinate<br>Series A 5.75% 8/1/37  | 1,200,000 | 1,330,980  |
| Series A-1 5.00% 8/1/43   | 1,750,000 | 1,824,165  |

(continues) 9

## Statements of net assets

Delaware Investments® Minnesota Municipal Income Fund II, Inc.

|   | Principal<br>Amount | Value                 |
|---|---------------------|-----------------------|
| <b>Municipal Bonds</b> (continued)  |                     |                       |
| Special Tax Revenue Bonds (continued)   |                     |                       |
| St. Paul Port Authority (Brownsfields<br>Redevelopment Tax) Series 2                        |                     |                       |
| 5.00% 3/1/37  | \$ 895,000          | \$ 1,007,627          |
|   |                     | 16,557,543            |
| State & Territory General Obligation Bonds 9.85%  |                     |                       |
| Minnesota State Refunding<br>(State Various Purpose)<br>Series D 5.00% 8/1/24               | 2,700,000           | 3,441,744             |
| Minnesota State (State Trunk Highway)   |                     |                       |
| Series B  |                     |                       |
| 5.00% 10/1/22   | 5,500,000           | 7,007,385             |
| 5.00% 10/1/29   | 3,715,000           | 4,559,122             |
| Puerto Rico Commonwealth<br>Public Improvement Series A                                     |                     |                       |
| 5.00% 7/1/41  | 1,000,000           | 1,004,910             |
| 5.75% 7/1/41  | 1,500,000           | 1,572,915             |
|   |                     | 17,586,076            |
| Transportation Revenue Bonds 2.16%  |                     |                       |
| Minneapolis - St. Paul Metropolitan<br>Airports Commission<br>Revenue Series A              |                     |                       |
| 5.00% 1/1/28 (NATL-RE)  | 1,335,000           | 1,342,676             |
| 5.00% 1/1/35 (AMBAC)  | 2,000,000           | 2,081,061             |
| St. Paul Port Authority Revenue<br>(Amherst H. Wilder Foundation)<br>Series 3 5.00% 12/1/36 | 380,000             | 424,642               |
|   |                     | 3,848,379             |
| Water & Sewer Revenue Bonds 1.61%   |                     |                       |
| Metropolitan Council Wastewater<br>Series B 4.00% 9/1/27                                    | 1,145,000           | 1,288,469             |
| St. Paul Sewer Revenue<br>Series D 5.00% 12/1/21  | 1,325,000           | 1,582,328             |
|   |                     | 2,870,797             |
| <b>Total Municipal Bonds</b>  |                     | <b>255,081,927</b>    |
| (cost \$236,711,360)  |                     |                       |
| <b>Total Value of Securities 142.88%</b>  |                     | <b>255,081,927</b>    |
| (cost \$236,711,360)  |                     |                       |
| <b>Liquidation Value of Preferred</b>   |                     |                       |
| <b>Stock (42.01%)</b>   |                     | <b>(75,000,000)</b>   |
| <b>Liabilities Net of Receivables and</b>   |                     |                       |
| <b>Other Assets (0.87%)</b>   |                     | <b>(1,549,431)</b>    |
| <b>Net Assets Applicable to 11,504,975</b>  |                     |                       |
| <b>Shares Outstanding; Equivalent to</b>  |                     |                       |
| <b>\$15.52 Per Share 100.00%</b>  |                     | <b>\$ 178,532,496</b> |
| <b>Components of Net Assets at September 30, 2012:</b>                                      |                     |                       |
| Common stock, \$0.01 par value, 200 million shares<br>authorized to the Fund                |                     | \$ 157,931,075        |
| Undistributed net investment income   |                     | 1,716,382             |
| Accumulated net realized gain on investments  |                     | 514,472               |
| Net unrealized appreciation of investments  |                     | 18,370,567            |

Total net assets \$ 178,532,496

Variable rate security. The rate shown is the rate as of September 30, 2012. Interest rates reset periodically.

§Pre-refunded bonds. Municipal bonds 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 9 in Notes to financial statements.

^Zero coupon security. The rate shown is the yield at the time of purchase.

See Note 6 in Notes to financial statements.

**Summary of Abbreviations:**

AGM Insured by Assured Guaranty Municipal Corporation  
AMBAC Insured by AMBAC Assurance Corporation  
AMT Subject to Alternative Minimum Tax  
ASSURED GTY Insured by Assured Guaranty Corporation  
FHA Federal Housing Administration  
FHLMC Federal Home Loan Mortgage Corporation collateral  
FNMA Federal National Mortgage Association collateral  
GNMA Government National Mortgage Association collateral  
IBC Insured Bond Certificate  
LOC Letter of Credit  
NATL-RE Insured by National Public Finance Guarantee Corporation  
VA Veterans Administration collateral

See accompanying notes, which are an integral part of the financial statements.

**Delaware Investments® National Municipal Income Fund**  
September 30, 2012 (Unaudited)

|   | Principal<br>Amount | Value      |
|---|---------------------|------------|
| <b>Municipal Bonds 142.25%</b>  |                     |            |
| Corporate-Backed Revenue Bonds 17.22%   |                     |            |
| Buckeye, Ohio Tobacco Settlement  |                     |            |
| Financing Authority Asset-Backed Senior Turbo Series A-2                                |                     |            |
| 5.875% 6/1/47   | \$ 480,000          | \$ 388,483 |
| 6.50% 6/1/47  | 430,000             | 381,371    |
| Delaware State Economic   |                     |            |
| Development Authority Exempt Facilities (Indian River Power)                            |                     |            |
| 5.375% 10/1/45  | 500,000             | 548,150    |
| Golden State, California Tobacco  |                     |            |
| Securitization Corporate Settlement Revenue (Asset-Backed Senior Notes) Series A-1      |                     |            |
| 5.125% 6/1/47   | 370,000             | 286,003    |
| 5.75% 6/1/47  | 1,615,000           | 1,382,456  |
| Harris County, Texas Industrial   |                     |            |
| Development Solid Waste Disposal Revenue (Deer Park Refining Project) 5.00% 2/1/23      | 150,000             | 167,700    |
| Illinois Railsplitter Tobacco Settlement  |                     |            |
| Authority 6.25% 6/1/24  | 500,000             | 563,060    |
| Louisiana Local Government  |                     |            |
| Environmental Facilities & Community Development Authority (Westlake Chemical)          |                     |            |
| Series A 6.50% 8/1/29   | 645,000             | 761,139    |
| Series A-1 6.50% 11/1/35  | 255,000             | 298,110    |
| Maryland Economic Development   |                     |            |
| Port Facilities Revenue (CNX Marine Terminals) 5.75% 9/1/25                             | 260,000             | 283,442    |
| M-S-R Energy Authority California   |                     |            |
| Gas Series C 7.00% 11/1/34  | 1,000,000           | 1,378,730  |
| Navajo County, Arizona Pollution  |                     |            |
| Control Revenue Series D 5.75% 6/1/34   | 500,000             | 564,715    |
| New Jersey Economic Development   |                     |            |
| Authority Special Facilities Revenue (Continental Airlines Project) 5.25% 9/15/29 (AMT) | 500,000             | 511,080    |
| New Jersey Tobacco Settlement   |                     |            |
| Financing Series 1A 5.00% 6/1/41  | 1,000,000           | 835,320    |
| New York Liberty Development  |                     |            |
| Revenue (Goldman Sachs Headquarters) 5.25% 10/1/35                                      | 500,000             | 587,180    |
| Ohio State Air Quality Development  |                     |            |
| Authority Revenue (First Energy Generation) Series A                                    |                     |            |
| 5.70% 8/1/20  | 260,000             | 304,556    |
| Pennsylvania Economic Development   |                     |            |
| Financing Authority Exempt Facilities Revenue (Allegheny Energy Supply) 7.00% 7/15/39   | 345,000             | 414,062    |
| Pima County, Arizona Industrial   |                     |            |
| Development Authority Pollution   |                     |            |

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|                         |  |           |            |
|-------------------------|--|-----------|------------|
|                         | Control Revenue (Tucson Electric Power San Juan) 5.75% 9/1/29  | 250,000   | 266,890    |
|                         | Salt Verde Financial, Arizona Gas Revenue Senior Note 5.00% 12/1/37  | 400,000   | 440,116    |
|                         | St. John the Baptist Parish, Louisiana (Marathon Oil) Series A 5.125% 6/1/37   | 500,000   | 532,295    |
|                         | Suffolk County, New York Tobacco Asset Securitization Series B 5.00% 6/1/32  | 750,000   | 804,968    |
|                         |  |           | 11,699,826 |
| Education Revenue Bonds | 22.15%   |           |            |
|                         | Arizona Board of Regents System Revenue (University of Arizona) Series A 5.00% 6/1/39  | 500,000   | 554,795    |
|                         | Bowling Green, Ohio Student Housing Revenue (CFP I State University Project) 6.00% 6/1/45  | 270,000   | 291,835    |
|                         | California Statewide Communities Development Authority School Facility Revenue (Aspire Public Schools) 6.125% 7/1/46                                   | 625,000   | 647,056    |
|                         | California Statewide Communities Development Authority Student Housing Revenue (Irvine, LLC - UCI East Campus) 6.00% 5/15/23                           | 470,000   | 525,986    |
|                         | Iowa Higher Education Loan Authority Revenue (Private College Facility) 5.00% 10/1/38  | 500,000   | 529,360    |
|                         | Lakeland Florida Educational Facilities Revenue (Florida Southern College) 5.00% 9/1/42  | 1,110,000 | 1,185,612  |
|                         | Marietta, Georgia Development Authority Revenue (Life University Project) 7.00% 6/15/39  | 430,000   | 452,184    |
|                         | Maryland Health & Higher Educational Facilities Authority (Loyola University) Series A 5.00% 10/1/39   | 650,000   | 747,422    |
|                         | Maryland State Economic Development Student Housing Revenue (University of Maryland College Park Projects) 5.75% 6/1/33                                | 370,000   | 406,993    |
|                         | Massachusetts State Health & Educational Facilities Authority Revenue (Harvard University) Series A 5.00% 12/15/29                                     | 600,000   | 732,462    |
|                         | Metropolitan Government Nashville & Davidson Counties, Tennessee Health and Educational Facilities Building (Belmont University Project) 5.00% 11/1/29 | 515,000   | 565,645    |
|                         | Missouri State Health & Educational Facilities Authority Revenue (Washington University) Series B 5.00% 11/15/30                                       | 600,000   | 738,546    |

(continues) 11

# Statements of net assets

## Delaware Investments® National Municipal Income Fund

|  | Principal<br>Amount             | Value                         |
|--|---------------------------------|-------------------------------|
| <b>Municipal Bonds (continued)</b>   |                                 |                               |
| Education Revenue Bonds (continued)  |                                 |                               |
| Monroe County, New York Industrial<br>Development Revenue (Nazareth<br>College Rochester Project)<br>5.50% 10/1/41   | \$ 500,000                      | \$ 558,065                    |
| Montgomery County, Pennsylvania<br>Higher Education & Health<br>Authority Revenue (Arcadia<br>University) 5.25% 4/1/30   | 550,000                         | 600,732                       |
| New Jersey Economic Development<br>Authority Revenue (MSU Student<br>Housing Project) 5.875% 6/1/42  | 735,000                         | 819,606                       |
| New York City, New York Trust for<br>Cultural Resources (Whitney<br>Museum of American Art)<br>5.00% 7/1/31  | 500,000                         | 567,750                       |
| New York State Dormitory Authority<br>(Columbia University)<br>5.00% 10/1/41   | 600,000                         | 701,052                       |
| Oregon State Facilities Authority<br>Revenue (CHF Ashland)<br>5.00% 7/1/44 (AGM)<br>#(Concordia University Project)<br>144A Series A 6.125% 9/1/30   | 1,000,000<br>135,000            | 1,082,180<br>147,227          |
| Pennsylvania State Higher<br>Educational Facilities Authority<br>Student Housing Revenue<br>(Edinboro University Foundation)<br>5.80% 7/1/30<br>(University Properties East<br>Stroudsburg University)<br>5.25% 7/1/19 | 400,000<br>510,000              | 449,292<br>570,104            |
| Phoenix, Arizona Industrial<br>Development Authority Revenue<br>(Rowan University) 5.00% 6/1/42  | 1,000,000                       | 1,084,120                     |
| Private Colleges & Universities<br>Authority Revenue (Mercer<br>University Project) Series A<br>5.00% 10/1/32  | 135,000                         | 146,349                       |
| Troy, New York Capital Resource<br>Revenue (Rensselaer Polytechnic)<br>Series A 5.125% 9/1/40  | 600,000                         | 667,176                       |
| Wyoming Community Development<br>Authority Student Housing<br>Revenue (CHF-Wyoming LLC)<br>6.50% 7/1/43  | 250,000                         | 277,433                       |
|  |                                 | 15,048,982                    |
| <b>Electric Revenue Bonds 5.13%</b>  |                                 |                               |
| Long Island, New York Power<br>Authority Series A 5.00% 9/1/42   | 1,000,000                       | 1,120,820                     |
| Puerto Rico Electric Power<br>Authority Revenue<br>Series A 5.00% 7/1/42<br>Series WW 5.50% 7/1/38<br>Series XX 5.25% 7/1/40   | 1,000,000<br>200,000<br>805,000 | 994,550<br>209,774<br>811,311 |



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|                                 |  |           |           |
|---------------------------------|--|-----------|-----------|
|                                 | Series ZZ 5.25% 7/1/26   | 330,000   | 348,688   |
|                                 |  |           | 3,485,143 |
| <b>Healthcare Revenue Bonds</b> | <b>24.18%</b>  |           |           |
|                                 | Arizona Health Facilities Authority Revenue (Catholic Healthcare West) Series D 5.00% 7/1/28   | 500,000   | 547,445   |
|                                 | Brevard County, Florida Health Facilities Authority Revenue (Heath First Project) 7.00% 4/1/39                                       | 90,000    | 112,014   |
|                                 | Butler County, Pennsylvania Hospital Authority Revenue (Butler Health System Project) 7.125% 7/1/29                                  | 300,000   | 360,822   |
|                                 | California State Health Facilities Financing Authority Revenue (Stanford Hospital Clinics) 5.00% 8/15/42                             | 1,000,000 | 1,123,899 |
|                                 | California Statewide Communities Development Authority (Kaiser Permanente) Series A 5.00% 4/1/42                                     | 1,000,000 | 1,102,980 |
|                                 | Dauphin County, Pennsylvania General Authority Revenue (Pinnacle Health System Project) 5.00% 6/1/42                                 | 770,000   | 832,840   |
|                                 | Hawaii Pacific Health Special Purpose Revenue Series A 5.50% 7/1/40  | 300,000   | 329,007   |
|                                 | Illinois Finance Authority Revenue (Silver Cross & Medical Centers) 7.00% 8/15/44  | 450,000   | 540,212   |
|                                 | Koyukuk, Alaska Revenue (Tanana Chiefs Conference Health Care Facility Project) 7.75% 10/1/41  | 300,000   | 329,499   |
|                                 | Louisiana Public Facilities Authority Revenue (Ochsner Clinic Foundation Project) 6.50% 5/15/37                                      | 105,000   | 126,504   |
|                                 | Lycoming County, Pennsylvania Authority Health System Revenue (Susquehanna Health System Project) Series A 5.50% 7/1/28              | 500,000   | 548,495   |
|                                 | Maine Health & Higher Educational Facilities Authority Revenue (Maine General Medical Center) 6.75% 7/1/41                           | 300,000   | 353,505   |
|                                 | Maricopa County, Arizona Industrial Development Authority Health Facilities Revenue (Catholic Healthcare West) Series A 6.00% 7/1/39 | 500,000   | 577,060   |
|                                 | Maryland Health & Higher Educational Facilities Authority Revenue (Carroll Hospital) Series A 5.00% 7/1/37                           | 500,000   | 554,320   |
|                                 | Monroe County, Pennsylvania Hospital Authority Revenue (Pocono Medical Center) Series A 5.00% 1/1/41                                 | 500,000   | 536,540   |
|                                 | Montgomery County, Pennsylvania Industrial Development Authority Revenue (Mtg-Whitemarsh Continuing Care) 6.25% 2/1/35               | 675,000   | 686,516   |

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|  | Principal<br>Amount           | Value                         |
|--|-------------------------------|-------------------------------|
| <b>Municipal Bonds (continued)</b>   |                               |                               |
| <b>Healthcare Revenue Bonds (continued)</b>  |                               |                               |
| New Hampshire Health & Education<br>Facilities Authority Revenue<br>(Dartmouth-Hitchcock Medical<br>Center) 6.00% 8/1/38                                 | \$ 300,000                    | \$ 353,757                    |
| New Jersey Health Care Facilities<br>Financing Authority Revenue<br>Refunding (St. Peters University<br>Hospital) 6.25% 7/1/35                           | 300,000                       | 339,372                       |
| New Mexico State Hospital<br>Equipment Loan Council Revenue<br>(Presbyterian Healthcare)<br>5.00% 8/1/39   | 500,000                       | 541,935                       |
| New York State Dormitory Authority<br>Revenue Non State Supported<br><br>Debt (Orange Regional Medical<br>Center) 6.25% 12/1/37                          | 500,000                       | 547,810                       |
| Ohio State Hospital Facilities Revenue<br>Refunding (Cleveland Clinic<br>Health) Series A 5.50% 1/1/39   | 300,000                       | 337,479                       |
| Orange County Health Facilities<br>Authority Revenue (Mayflower<br>Retirement Center)<br>5.00% 6/1/32<br>5.00% 6/1/36<br>5.125% 6/1/42                   | 400,000<br>250,000<br>750,000 | 419,628<br>259,883<br>786,330 |
| Pennsylvania Higher Educational<br>Facilities Authority Revenue<br>(University of Pennsylvania Health<br>System) Series A 5.00% 8/15/42                  | 1,000,000                     | 1,115,939                     |
| Philadelphia, Pennsylvania Hospitals &<br>Higher Education Facilities<br>Authority Revenue (Temple<br>University Health System) Series A<br>5.50% 7/1/30 | 300,000                       | 314,139                       |
| University Medical Center, Tucson,<br>Arizona Hospital Revenue<br>6.50% 7/1/39   | 500,000                       | 582,840                       |
| West Virginia Hospital Finance<br>Authority (Highland Hospital<br>Obligation Group) 9.125% 10/1/41   | 500,000                       | 617,120                       |
| Yavapai County, Arizona Industrial<br>Development Authority Revenue<br>(Yavapai Regional Medical Center)<br>Series A 5.25% 8/1/21 (RADIANT)              | 1,500,000                     | 1,554,254                     |
|  |                               | 16,432,144                    |
| <b>Housing Revenue Bonds 2.47%</b>   |                               |                               |
| California Municipal Finance Authority<br>Mobile Home Park Revenue<br>(Caritas Projects) Series A<br>5.50% 8/15/47<br>6.40% 8/15/45                      | 750,000<br>430,000            | 793,905<br>475,266            |
| Florida Housing Finance Homeowner<br>Mortgage Revenue Series 2<br>5.90% 7/1/29 (NATL-RE) (AMT)   | 205,000                       | 207,327                       |
| Puerto Rico Housing Finance<br>Authority (Subordinated-Capital<br>Fund Modernization)<br>5.50% 12/1/18   | 175,000                       | 204,829                       |
|  |                               | 1,681,327                     |
| <b>Lease Revenue Bonds 12.59%</b>  |                               |                               |
| California State Public Works Board<br>Lease Revenue (Various Capital  |                               |                               |

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|   |           |           |
|---|-----------|-----------|
| Projects) Series A 5.00% 4/1/37   | 1,000,000 | 1,090,420 |
| Capital Area, Austin, Texas Cultural Education Facilities Finance Revenue (Roman Catholic Diocese) Series B 6.125% 4/1/45                     | 105,000   | 115,910   |
| Hudson Yards, New York Infrastructure Revenue Series A 5.75% 2/15/47  | 1,100,000 | 1,301,080 |
| Idaho State Building Authority Revenue (Health & Welfare Project) Series A 5.00% 9/1/24 (State Police) Series I 5.00% 9/1/23                  | 135,000   | 167,597   |
|   | 760,000   | 944,596   |
| New Jersey Economic Development Authority (School Facilities Construction) Series EE 5.00% 9/1/18   | 100,000   | 121,192   |
| New York City, New York Industrial Development Agency (Senior Trips) Series A 5.00% 7/1/28 (AMT)  | 250,000   | 265,143   |
| New York Liberty Development Revenue (4 World Trade Center) 5.75% 11/15/51 (7 World Trade Center) Class 1 5.00% 9/15/40 Class 2 5.00% 9/15/43 | 1,970,000 | 2,333,228 |
|   | 360,000   | 411,124   |
|   | 640,000   | 705,645   |
| Pima County, Arizona Industrial Development Authority Metro Police Facility Revenue (Nevada Project) Series A 5.25% 7/1/31 5.375% 7/1/39      | 500,000   | 547,035   |
|   | 500,000   | 550,275   |
|   |           | 8,553,245 |
| Local General Obligation Bonds 3.61%  |           |           |
| Gila County, Arizona Unified School District #10 (Payson School Improvement Project of 2006) Series A 5.25% 7/1/27 (AMBAC)                    | 500,000   | 556,910   |
| Maricopa County, Arizona School District #6 (Washington) Refunding Series A 5.375% 7/1/13 (AGM)   | 1,250,000 | 1,297,375 |
| New York City, New York Series A-1 5.25% 8/15/21 Series I-1 5.375% 4/1/36   | 250,000   | 307,015   |
|   | 250,000   | 290,560   |
|   |           | 2,451,860 |

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# Statements of net assets

## Delaware Investments® National Municipal Income Fund

|   | Principal<br>Amount | Value        |
|---|---------------------|--------------|
| <b>Municipal Bonds (continued)</b>      |                     |              |
| §Pre-Refunded Bond 1.86%                |                     |              |
| Salt River Project, Arizona             |                     |              |
| Agricultural Improvement &              |                     |              |
| Power District Revenue Series B         |                     |              |
| 5.00% 1/1/25-13                         | \$ 1,250,000        | \$ 1,265,600 |
|   |                     | 1,265,600    |
| <b>Special Tax Revenue Bonds 18.41%</b> |                     |              |
| Anne Arundel County, Maryland           |                     |              |
| Special Obligation Revenue              |                     |              |
| (National Business Park-North           |                     |              |
| Project) 6.10% 7/1/40                   | 200,000             | 217,132      |
| Brooklyn Arena Local Development,       |                     |              |
| New York Pilot Revenue                  |                     |              |
| (Barclays Center Project)               |                     |              |
| 6.25% 7/15/40                           | 940,000             | 1,096,585    |
| 6.50% 7/15/30                           | 300,000             | 360,495      |
| California State Economic Recovery      |                     |              |
| Series A 5.25% 7/1/21                   | 260,000             | 320,874      |
| California Statewide Communities        |                     |              |
| Development Authority Revenue           |                     |              |
| (Statewide Inland Regional Center       |                     |              |
| Project) 5.375% 12/1/37                 | 500,000             | 511,390      |
| Glendale, Arizona Municipal Property    |                     |              |
| Series A 5.00% 7/1/33 (AMBAC)           | 1,000,000           | 1,014,880    |
| Guam Government Business Privilege      |                     |              |
| Tax Revenue Series B-1                  |                     |              |
| 5.00% 1/1/42                            | 1,000,000           | 1,108,100    |
| Massachusetts Bay Transportation        |                     |              |
| Authority Senior Series A               |                     |              |
| 5.25% 7/1/29                            | 200,000             | 271,128      |
| Miami-Dade County, Florida Special      |                     |              |
| Obligation (Capital Appreciation &      |                     |              |
| Income) 5.00% 10/1/35 (NATL-RE)         | 1,000,000           | 1,050,210    |
| Mosaic District, Virginia Community     |                     |              |
| Development Authority Series A          |                     |              |
| 6.875% 3/1/36                           | 520,000             | 588,635      |
| New York City, New York Industrial      |                     |              |
| Development Agency Civic Facility       |                     |              |
| Revenue (YMCA of Greater New            |                     |              |
| York Project) 5.00% 8/1/36              | 1,000,000           | 1,050,310    |
| New York State Dormitory Authority      |                     |              |
| (State Personal Income Tax              |                     |              |
| Revenue-Education) Series A             |                     |              |
| 5.00% 3/15/38                           | 570,000             | 657,427      |
| Peoria, Arizona Municipal               |                     |              |
| Development Authority Sales Tax &       |                     |              |
| Excise Shared Revenue (Senior           |                     |              |
| Lien & Subordinate Lien)                |                     |              |
| 5.00% 1/1/18                            | 1,085,000           | 1,286,863    |
| Puerto Rico Sales Tax Financing         |                     |              |
| Revenue Series C 5.00% 8/1/40           | 600,000             | 648,228      |
| First Subordinated                      |                     |              |
| Series A 5.75% 8/1/37                   | 245,000             | 271,742      |
| Series C 6.00% 8/1/39                   | 300,000             | 337,341      |
| Ω(Convertible Capital Appreciation      |                     |              |

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|   |           |            |
|---|-----------|------------|
| Bonds) 6.75% 8/1/32   | 220,000   | 228,012    |
| San Mateo, California Special Tax<br>Community Facilities District<br>#2008-1 (Bay Meadows)<br>6.00% 9/1/42   | 95,000    | 103,756    |
| Virginia Public Building Authority<br>Series A 5.00% 8/1/26   | 1,000,000 | 1,218,900  |
| ^Wyandotte County, Kansas City,<br>Kansas Unified Government<br>Special Obligation Revenue<br>(Capital Appreciation) Sales Tax<br>Subordinate Lien Series B<br>6.07% 6/1/21 | 250,000   | 170,093    |
|   |           | 12,512,101 |
| <b>State &amp; Territory General Obligation Bonds 9.53%</b>   |           |            |
| California State Various Purposes<br>5.00% 9/1/41   | 460,000   | 510,071    |
| 5.00% 10/1/41   | 440,000   | 488,286    |
| 5.25% 11/1/40   | 320,000   | 367,536    |
| 6.00% 4/1/38  | 105,000   | 125,658    |
| New Jersey Economic Development<br>Authority Revenue<br>5.00% 6/15/28   | 200,000   | 222,164    |
| 5.00% 6/15/29   | 800,000   | 883,144    |
| New York State Series A<br>5.00% 2/15/39  | 300,000   | 351,261    |
| Oregon State Series K 5.00% 5/1/22  | 1,000,000 | 1,296,970  |
| Puerto Rico Commonwealth<br>(Public Improvement) Series A<br>5.00% 7/1/41   | 1,100,000 | 1,105,401  |
| 5.50% 7/1/39  | 235,000   | 243,140    |
| 5.75% 7/1/41  | 500,000   | 524,305    |
| Series C 6.00% 7/1/39   | 335,000   | 354,276    |
|   |           | 6,472,212  |
| <b>Transportation Revenue Bonds 19.44%</b>  |           |            |
| Bay Area, California Toll Authority<br>Revenue (San Francisco Bay Area)<br>5.00% 4/1/27   | 750,000   | 915,825    |
| Central Texas Regional Mobility<br>Authority Revenue Senior Lien<br>6.00% 1/1/41  | 520,000   | 608,436    |
| Harris County, Texas Metropolitan<br>Transit Authority Series A<br>5.00% 11/1/24  | 500,000   | 613,025    |
| Maryland State Economic<br>Development Revenue<br>(Transportation Facilities Project)<br>Series A 5.75% 6/1/35  | 255,000   | 279,898    |
| Metropolitan Transportation<br>Authority, New York<br>Series A 5.00% 11/15/41   | 500,000   | 556,305    |
| Series E 4.00% 11/15/38   | 1,000,000 | 1,030,150  |

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|  | Principal<br>Amount                        | Value  |
|--|--|--|
| <b>Municipal Bonds</b> (continued)   |  |  |
| Transportation Revenue Bonds (continued)   |  |  |
| Metropolitan Washington D.C.<br>Airports Authority Dulles Toll<br>Road Revenue (First Senior Lien)<br>Series A 5.25% 10/1/44   | \$ 245,000                                 | \$ 272,648   |
| New York Liberty Development<br>Revenue (1 World Trade Center<br>Port Authority Construction)<br>5.00% 12/15/41  | 500,000                                    | 563,435  |
| North Texas Tollway Authority Special<br>Projects System Series A<br>5.00% 9/1/20  | 250,000                                    | 311,720  |
| Pennsylvania Turnpike Commission<br>Subordinate (Special Motor<br>License Fund)<br>5.00% 12/1/22<br>Series B 5.00% 12/1/41   | 500,000<br>500,000                         | 600,980<br>564,470                                       |
| Phoenix, Arizona Civic Improvement<br>Airport Revenue (Senior Lien)<br>Series B 5.25% 7/1/27 (NATL-RE)<br>(FGIC) (AMT)   | 1,000,000                                  | 1,001,570  |
| Port Authority of New York & New<br>Jersey Special Obligation Revenue<br>(JFK International Air Terminal)<br>6.00% 12/1/42<br>6.50% 12/1/28  | 230,000<br>500,000                         | 268,691<br>548,540                                       |
| Regional Transportation, Colorado<br>District Revenue (Denver Transit<br>Partners) 6.00% 1/15/41   | 500,000                                    | 580,735  |
| St. Louis, Missouri Airport Revenue<br>(Lambert St. Louis International)<br>5.00% 7/1/32 (AMT)<br>Series A-1 6.625% 7/1/34   | 1,000,000<br>325,000                       | 1,073,800<br>385,739                                     |
| Texas Private Activity Bond Surface<br>Transportation Senior<br>Lien Revenue<br>(LBJ Infrastructure)<br>7.00% 6/30/40<br>7.50% 6/30/33<br>(NTE Mobility Partners)<br>6.875% 12/31/39<br>7.50% 12/31/31 | 285,000<br>665,000<br>1,000,000<br>500,000 | 349,610<br>847,888<br>1,206,001<br>628,230<br>13,207,696 |
| <b>Water &amp; Sewer Revenue Bonds 5.66%</b>   |  |  |
| Atlanta, Georgia Water &<br>Wastewater Revenue Series A<br>6.25% 11/1/39   | 800,000                                    | 964,952  |
| New York City, New York Municipal<br>Water Finance Authority (Second<br>Generation Resolution) Fiscal<br>2012 Series BB 5.25% 6/15/44  | 525,000                                    | 616,912  |
| Phoenix, Arizona Civic Improvement<br>Wastewater Systems Revenue<br>(Junior Lien) Series A<br>5.00% 7/1/39   | 900,000                                    | 1,037,142  |
| San Francisco, California City &<br>County Public Utilities<br>Commission Subordinate Series F<br>5.00% 11/1/27  | 500,000                                    | 600,660  |
| Texas State Series C 5.00% 8/1/22  | 500,000                                    | 628,555  |
|  |  | 3,848,221  |
| <b>Total Municipal Bonds</b><br>(cost \$88,585,350)  |  | <b>96,658,357</b>  |

|   |                  |         |                      |
|---|------------------|---------|----------------------|
| <b>Short-Term Investments</b>   | <b>1.10%</b>     |         |                      |
| Variable Rate Demand Notes  | 1.10%            |         |                      |
| Colorado Educational & Cultural Facilities Authority Revenue (National Jewish Federation Bond Program) Series D-7 0.20% 2/1/35 (LOC-JPMorgan Chase Bank N.A.) |                  | 500,000 | 500,000              |
| St. Paul, Minnesota Port Authority Revenue (Minnesota Public Radio Project) Series 7 0.21% 5/1/25 (LOC-JPMorgan Chase Bank N.A.)                              |                  | 250,000 | 250,000              |
| <b>Total Short-Term Investments</b>   |                  |         |                      |
| (cost \$750,000)  |                  |         | <b>750,000</b>       |
| <b>Total Value of Securities</b>  | <b>143.35%</b>   |         |                      |
| (cost \$89,335,350)   |                  |         | <b>97,408,357</b>    |
| <b>Liquidation Value of Preferred Stock</b>   | <b>(44.15%)</b>  |         | <b>(30,000,000)</b>  |
| <b>Receivables and Other Assets</b>   |                  |         |                      |
| <b>Net of Liabilities</b>   | <b>0.80%</b>     |         | <b>541,671</b>       |
| <b>Net Assets Applicable to</b>   | <b>4,528,443</b> |         |                      |
| <b>Shares Outstanding; Equivalent to \$15.01 Per Share</b>  | <b>100.00%</b>   |         | <b>\$ 67,950,028</b> |
| <b>Components of Net Assets at September 30, 2012:</b>  |                  |         |                      |
| Common stock, \$0.01 par value, unlimited shares authorized to the Fund   |                  |         | \$ 60,617,476        |
| Undistributed net investment income   |                  |         | 648,862              |
| Accumulated net realized loss on investments  |                  |         | (1,389,317)          |
| Net unrealized appreciation of investments  |                  |         | 8,073,007            |
| Total net assets  |                  |         | \$ 67,950,028        |

(continues) 15

## Statements of net assets

### Delaware Investments® National Municipal Income Fund

Variable rate security. The rate shown is the rate as of September 30, 2012. Interest rates reset periodically.

#Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. At September 30, 2012, the aggregate value of Rule 144A securities was \$147,227, which represented 0.22% of the Fund's net assets. See Note 9 in Notes to financial statements.

§Pre-refunded bonds. Municipal bonds 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 9 in Notes to financial statements.

Step 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.

^Zero coupon security. The rate shown is the yield at the time of purchase.

⊠Tax-exempt obligations that contain a floating or variable interest rate adjustment formula and an unconditional right of demand to receive payment of the unpaid principal balance plus accrued interest upon a short notice period (generally up to 30 days) prior to specified dates either from the issuer or by drawing on a bank letter of credit, a guarantee or insurance issued with respect to such instrument.

See Note 6 in Notes to financial statements.

#### Summary of Abbreviations:

AGM Insured by Assured Guaranty Municipal Corporation

AMBAC Insured by AMBAC Assurance Corporation

AMT Subject to Alternative Minimum Tax

FGIC Insured by Financial Guaranty Insurance Company

LOC Letter of Credit

NATL-RE Insured by National Public Finance Guarantee Corporation

RADIAN Insured by Radian Asset Assurance

See accompanying notes, which are an integral part of the financial statements.



## Statements of assets and liabilities

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

September 30, 2012 (Unaudited)

|   | 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>Assets:</b>                                  |  |  |  |
| Investments, at value                           | \$ 104,512,878   | \$ 255,081,927   | \$ 96,658,357  |
| Short-term investments, at value                |  |  | 750,000  |
| Cash  | 206,904  | 1,342,667  | 165,765  |
| Receivable for securities sold                  |  | 2,447,240  | 15,221   |
| Interest income receivable                      | 1,370,568  | 3,518,020  | 1,291,741  |
| Organization expense for preferred shareholders | 211,242  | 362,284  | 60,212   |
| Other assets                                    |  |  | 218,403  |
| <b>Total assets</b>                             | <b>106,301,592</b>   | <b>262,752,138</b>   | <b>99,159,699</b>  |
| <b>Liabilities:</b>                             |  |  |  |
| Liquidation value of preferred stock            | 30,000,000   | 75,000,000   | 30,000,000   |
| Payable for securities purchased                |  | 8,367,462  | 893,558  |
| Due to manager and affiliates                   | 36,099   | 86,615   | 33,412   |
| Other accrued expenses                          | 19,613   | 19,938   |  |
| Distributions payable                           | 756,783  | 745,627  | 282,701  |
| <b>Total liabilities</b>                        | <b>30,812,495</b>  | <b>84,219,642</b>  | <b>31,209,671</b>  |
| <b>Total net assets</b>                         | <b>\$ 75,489,097</b>   | <b>\$ 178,532,496</b>  | <b>\$ 67,950,028</b>   |
| Investments, at cost                            | \$ 96,709,911  | \$ 236,711,360   | \$ 88,585,350  |
| Short-term investments, at cost                 |  |  | 750,000  |

See accompanying notes, which are an integral part of the financial statements.

## Statements of operations

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

Six Months Ended September 30, 2012 (Unaudited)

|   | 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  | \$ 2,319,932   | \$ 5,444,837   | \$ 2,122,895   |
| <b>Expenses:</b>  |  |  |  |
| Management fees   | 209,552  | 502,631  | 192,547  |
| Legal fees  | 31,205   | 69,796   | 60,517   |
| Accounting and administration expenses                              | 20,392   | 48,912   | 18,737   |
| Dividend disbursing and transfer agent fees and expenses            | 18,065   | 36,428   | 21,649   |
| Rating agency fees  | 15,848   | 15,631   | 15,835   |
| Audit and tax   | 8,762  | 10,539   | 8,813  |
| Reports and statements to shareholders                              | 7,456  | 12,644   | 8,518  |
| Pricing fees  | 3,508  | 5,648  | 6,936  |
| Taxes (Pennsylvania franchise tax)                                  | 2,500  | 6,000  |  |
| Stock exchange fees   | 2,339  | 5,616  | 2,045  |
| Directors /Trustees fees  | 1,624  | 3,828  | 1,435  |
| Dues and services   | 702  | 1,954  | 1,006  |
| Custodian fees  | 653  | 1,602  | 739  |
| Insurance fees  | 511  | 1,883  | 607  |
| Consulting fees   | 390  | 906  | 311  |
| Registration fees   | 308  | 308  | 308  |
| Directors /Trustees expenses  | 57   | 143  | 48   |
| Total operating expenses  | 323,872  | 724,469  | 340,051  |
| <b>Net Investment Income</b>  | 1,996,060  | 4,720,368  | 1,782,844  |
| <b>Net Realized and Unrealized Gain:</b>                            |  |  |  |
| Net realized gain on investments                                    | 20,905   | 642,526  | 333,320  |
| Net change in unrealized appreciation (depreciation) of investments | 3,183,782  | 5,823,264  | 3,821,951  |
| <b>Net Realized and Unrealized Gain</b>                             | 3,204,687  | 6,465,790  | 4,155,271  |
| <b>Dividends and Distributions to Preferred Shareholders</b>        | (211,226 )   | (519,009 )   | (207,603 )   |
| <b>Net Increase in Net Assets Resulting from Operations</b>         | \$ 4,989,521   | \$ 10,667,149  | \$ 5,730,512   |

See accompanying notes, which are an integral part of the financial statements.

## Statements of changes in net assets

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

|   | Delaware Investments<br>Colorado Municipal<br>Income Fund, Inc. |                          | Delaware Investments<br>Minnesota Municipal<br>Income Fund II, Inc. |                          |
|---|---|--------------------------|---|--------------------------|
|   | Six Months<br>Ended<br>9/30/12<br>(Unaudited)                   | Year<br>Ended<br>3/31/12 | Six Months<br>Ended<br>9/30/12<br>(Unaudited)                       | Year<br>Ended<br>3/31/12 |
| <b>Increase (Decrease) in Net Assets from Operations:</b>       |   |                          |   |                          |
| Net investment income   | \$ 1,996,060  | \$ 3,233,923             | \$ 4,720,368  | \$ 7,747,076             |
| Net realized gain   | 20,905  | 976,769                  | 642,526   | 1,701,330                |
| Net change in unrealized appreciation (depreciation)            | 3,183,782   | 6,668,604                | 5,823,264   | 11,778,378               |
| Dividends and distributions to preferred shareholders           | (211,226)   | (149,762)                | (519,009)   | (374,404)                |
| Net increase in net assets resulting from operations            | 4,989,521   | 10,729,534               | 10,667,149  | 20,852,380               |
| <b>Dividends and Distributions to Common Shareholders from:</b> |   |                          |   |                          |
| Net investment income   | (1,668,800)   | (2,805,518)              | (3,969,216)   | (6,672,886)              |
| Net realized gain   | (445,013)   |                          |   |                          |
|   | (2,113,813)   | (2,805,518)              | (3,969,216)   | (6,672,886)              |
| <b>Net Increase in Net Assets</b>                               | <b>2,875,708</b>  | <b>7,924,016</b>         | <b>6,697,933</b>  | <b>14,179,494</b>        |
| <b>Net Assets:</b>  |   |                          |   |                          |
| Beginning of period   | 72,613,389  | 64,689,373               | 171,834,563   | 157,655,069              |
| End of period   | \$ 75,489,097   | \$ 72,613,389            | \$ 178,532,496  | \$ 171,834,563           |
| Undistributed net investment income                             | \$ 711,778  | \$ 598,215               | \$ 1,716,382  | \$ 1,504,205             |

|   | Delaware Investments<br>National Municipal<br>Income Fund |                          |
|---|---|--------------------------|
|   | Six Months<br>Ended<br>9/30/12<br>(Unaudited)             | Year<br>Ended<br>3/31/12 |
| <b>Increase (Decrease) in Net Assets from Operations:</b>       |   |                          |
| Net investment income   | \$ 1,782,844  | \$ 2,343,640             |
| Net realized gain   | 333,320   | 909,697                  |
| Net change in unrealized appreciation (depreciation)            | 3,821,951   | 4,515,112                |
| Dividends and distributions to preferred shareholders           | (207,603)   | (18,904)                 |
| Net increase in net assets resulting from operations            | 5,730,512   | 7,749,545                |
| <b>Dividends and Distributions to Common Shareholders from:</b> |   |                          |
| Net investment income   | (1,267,964)   | (2,295,215)              |
| Net realized gain   |   |                          |
|   | (1,267,964)   | (2,295,215)              |
| <b>Capital Share Transactions:</b>                              |   |                          |
| Net assets from merger to Common Shareholders*                  |   | 40,715,147               |
| Tender offer**  |   | (13,240,759)             |
|   |   | 27,474,388               |
| <b>Net Increase in Net Assets</b>                               | <b>4,462,548</b>  | <b>32,928,718</b>        |
| <b>Net Assets:</b>  |   |                          |
| Beginning of period   | 63,487,480  | 30,558,762               |

|                                     |               |               |
|-------------------------------------|---------------|---------------|
| End of period                       | \$ 67,950,028 | \$ 63,487,480 |
| Undistributed net investment income | \$ 648,862    | \$ 376,432    |

\*See Note 7 in Notes to financial statements.

\*\*See Note 6 in Notes to financial statements.

See accompanying notes, which are an integral part of the financial statements.

# Financial highlights

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

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

|  | Six Months<br>Ended<br>9/30/12 <sup>1</sup><br>(Unaudited) | Year Ended<br>3/31/12 | 3/31/11  | 3/31/10  | 3/31/09  | 3/31/08   |
|--|--|-----------------------|----------|----------|----------|-----------|
| <b>Net asset value, beginning of period</b>  | \$15.010   | \$13.370              | \$13.990 | \$13.220 | \$14.260 | \$15.100  |
| <b>Income (loss) from investment operations:</b>   |  |                       |          |          |          |           |
| Net investment income  | 0.413  | 0.669                 | 0.601    | 0.607    | 0.755    | 0.937     |
| Net realized and unrealized gain (loss)  | 0.668  | 1.582                 | (0.651)  | 0.733    | (0.965)  | (0.604)   |
| Dividends and distributions on preferred stock from:   |  |                       |          |          |          |           |
| Net investment income  | (0.044)  | (0.031)               |          |          | (0.173)  | (0.264)   |
| Net realized gain  |  |                       |          |          |          | (0.050)   |
| Total dividends and distributions on preferred stock   | (0.044)  | (0.031)               |          |          | (0.173)  | (0.314)   |
| Total from investment operations   | 1.037  | 2.220                 | (0.050)  | 1.340    | (0.383)  | 0.019     |
| <b>Less dividends and distributions to common shareholders from:</b>   |  |                       |          |          |          |           |
| Net investment income  | (0.345)  | (0.580)               | (0.570)  | (0.570)  | (0.657)  | (0.720)   |
| Net realized gain  | (0.092)  |                       |          |          |          | (0.139)   |
| Total dividends and distributions  | (0.437)  | (0.580)               | (0.570)  | (0.570)  | (0.657)  | (0.859)   |
| <b>Net asset value, end of period</b>  | \$15.610   | \$15.010              | \$13.370 | \$13.990 | \$13.220 | \$14.260  |
| <b>Market value, end of period</b>   | \$15.150   | \$14.600              | \$12.450 | \$13.390 | \$11.240 | \$15.060  |
| <b>Total investment return based on:<sup>2</sup></b>   |  |                       |          |          |          |           |
| Market value   | 6.72%  | 22.41%                | (3.00%)  | 24.49%   | (21.63%) | (0.14%)   |
| Net asset value  | 6.96%  | 17.19%                | (0.30%)  | 10.55%   | (2.66%)  | (0.19%)   |
| <b>Ratios and supplemental data:</b>   |  |                       |          |          |          |           |
| Net assets applicable to common shares, end of period (000 omitted)  | \$75,489   | \$72,613              | \$64,689 | \$67,651 | \$63,952 | \$68,973  |
| Ratio of expenses to average net assets applicable to common shares <sup>3</sup>   | 0.87%  | 0.73%                 | 0.56%    | 0.56%    | 0.91%    | 1.03%     |
| Ratio of net investment income to average net assets applicable to common shares <sup>3</sup>                                      | 5.34%  | 4.68%                 | 4.31%    | 4.41%    | 5.55%    | 6.37%     |
| Ratio of net investment income to average net assets applicable to common shares net of dividends to preferred shares <sup>4</sup> | 4.78%  | 4.46%                 | 4.31%    | 4.41%    | 4.28%    | 4.23%     |
| Portfolio turnover   | 2%   | 64%                   | 10%      | 20%      | 16%      | 16%       |
| <b>Leverage analysis:</b>  |  |                       |          |          |          |           |
| Value of preferred shares outstanding (000 omitted) <sup>5</sup>   | \$30,000   | \$30,000              | \$       | \$       | \$       | \$40,000  |
| Net asset coverage per share of preferred shares, end of period <sup>5</sup>   | \$351,630  | \$342,045             | \$       | \$       | \$       | \$136,216 |
| Liquidation value per share of preferred shares <sup>5,6</sup>   | \$100,000  | \$100,000             | \$       | \$       | \$       | \$50,000  |

<sup>1</sup> Ratios have been annualized and total return and portfolio turnover have 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, if applicable.

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

<sup>5</sup> In 2008, the Fund redeemed all of its preferred shares at par plus accumulated dividends amounting to \$40,042,778. In November 2011, the Fund issued a new series of 300 variable rate preferred shares, with a liquidation preference of \$100,000 per share.

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

See accompanying notes, which are an integral part of the financial statements.

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

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

|  | Six Months<br>Ended<br>9/30/12 <sup>1</sup><br>(Unaudited) | Year Ended<br>3/31/12 | 3/31/11   | 3/31/10   | 3/31/09   | 3/31/08   |
|--|--|-----------------------|-----------|-----------|-----------|-----------|
| <b>Net asset value, beginning of period</b>  | \$14.940   | \$13.700              | \$14.060  | \$13.140  | \$14.190  | \$14.880  |
| <b>Income (loss) from investment operations:</b>   |  |                       |           |           |           |           |
| Net investment income  | 0.410  | 0.673                 | 0.612     | 0.602     | 0.776     | 0.962     |
| Net realized and unrealized gain (loss)  | 0.560  | 1.180                 | (0.402)   | 0.888     | (1.013)   | (0.674)   |
| Dividends and distributions on preferred stock from:   |  |                       |           |           |           |           |
| Net investment income  | (0.045)  | (0.033)               |           |           | (0.175)   | (0.318)   |
| Total dividends and distributions on preferred stock   | (0.045)  | (0.033)               |           |           | (0.175)   | (0.318)   |
| Total from investment operations   | 0.925  | 1.820                 | 0.210     | 1.490     | (0.412)   | (0.030)   |
| <b>Less dividends to common shareholders from:</b>   |  |                       |           |           |           |           |
| Net investment income  | (0.345)  | (0.580)               | (0.570)   | (0.570)   | (0.638)   | (0.660)   |
| Total dividends  | (0.345)  | (0.580)               | (0.570)   | (0.570)   | (0.638)   | (0.660)   |
| <b>Net asset value, end of period</b>  | \$15.520   | \$14.940              | \$13.700  | \$14.060  | \$13.140  | \$14.190  |
| <b>Market value, end of period</b>   | \$15.420   | \$14.230              | \$12.600  | \$12.740  | \$11.250  | \$13.450  |
| <b>Total investment return based on:<sup>2</sup></b>   |  |                       |           |           |           |           |
| Market value   | 10.87%   | 17.95%                | 3.32%     | 18.58%    | (11.91%)  | (3.58%)   |
| Net asset value  | 6.29%  | 13.90%                | 1.80%     | 12.04%    | (2.48%)   | 0.08%     |
| <b>Ratios and supplemental data:</b>   |  |                       |           |           |           |           |
| Net assets applicable to common shares, end of period (000 omitted)  | \$178,532  | \$171,835             | \$157,655 | \$161,723 | \$151,184 | \$163,305 |
| Ratio of expenses to average net assets applicable to common shares <sup>3,5</sup>   | 0.82%  | 0.70%                 | 0.56%     | 0.56%     | 0.98%     | 1.18%     |
| Ratio of net investment income to average net assets applicable to common shares <sup>3</sup>                                      | 5.36%  | 4.67%                 | 4.35%     | 4.36%     | 5.74%     | 6.61%     |
| Ratio of net investment income to average net assets applicable to common shares net of dividends to preferred shares <sup>4</sup> | 4.77%  | 4.44%                 | 4.35%     | 4.36%     | 4.45%     | 4.43%     |
| Portfolio turnover   | 11%  | 44%                   | 9%        | 19%       | 15%       | 6%        |
| <b>Leverage analysis:</b>  |  |                       |           |           |           |           |
| Value of preferred shares outstanding (000 omitted) <sup>6</sup>   | \$75,000   | \$75,000              | \$        | \$        | \$        | \$95,000  |
| Net asset coverage per share of preferred shares, end of period <sup>6</sup>   | \$338,043  | \$329,113             | \$        | \$        | \$        | \$135,950 |
| Liquidation value per share of preferred shares <sup>6,7</sup>   | \$100,000  | \$100,000             | \$        | \$        | \$        | \$50,000  |

<sup>1</sup> Ratios have been annualized and total return and portfolio turnover have 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, if applicable.<sup>4</sup> Ratio reflects total net investment income less dividends paid to preferred shareholders, if applicable, 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 years ended March 31, 2009 and 2008. See Notes 1 and 8 in Notes to financial statements.<sup>6</sup> In 2008, the Fund redeemed all of its preferred shares at par plus accumulated dividends amounting to \$95,083,577. In November 2011, the Fund issued a new series of 750 variable rate preferred shares, with a liquidation preference of \$100,000 per share.<sup>7</sup> Excluding any accumulated but unpaid dividends.

See accompanying notes, which are an integral part of the financial statements.





## Financial highlights

### Delaware Investments® National Municipal Income Fund

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

|  | Six Months<br>Ended<br>9/30/12 <sup>1</sup><br>(Unaudited) | Year Ended<br>3/31/12 | 3/31/11  | 3/31/10  | 3/31/09  | 3/31/08   |
|--|--|-----------------------|----------|----------|----------|-----------|
| <b>Net asset value, beginning of period</b>  | \$14.020   | \$12.620              | \$13.070 | \$11.960 | \$13.360 | \$14.560  |
| <b>Income (loss) from investment operations:</b>   |  |                       |          |          |          |           |
| Net investment income  | 0.394  | 0.535                 | 0.610    | 0.571    | 0.704    | 0.919     |
| Net realized and unrealized gain (loss)  | 0.922  | 1.409                 | (0.532)  | 1.049    | (1.367)  | (1.081)   |
| Dividends and distributions on preferred stock from:   |  |                       |          |          |          |           |
| Net investment income  | (0.046)  | (0.004)               |          |          | (0.172)  | (0.311)   |
| Net realized gain  |  |                       |          |          |          | (0.015)   |
| Total dividends and distributions on preferred stock   | (0.046)  | (0.004)               |          |          | (0.172)  | (0.326)   |
| Total from investment operations   | 1.270  | 1.940                 | 0.078    | 1.620    | (0.835)  | (0.488)   |
| <b>Less dividends and distributions to common shareholders from:</b>   |  |                       |          |          |          |           |
| Net investment income  | (0.280)  | (0.540)               | (0.528)  | (0.510)  | (0.565)  | (0.668)   |
| Net realized gain  |  |                       |          |          |          | (0.044)   |
| Total dividends and distributions  | (0.280)  | (0.540)               | (0.528)  | (0.510)  | (0.565)  | (0.712)   |
| <b>Net asset value, end of period</b>  | \$15.010   | \$14.020              | \$12.620 | \$13.070 | \$11.960 | \$13.360  |
| <b>Market value, end of period</b>   | \$14.180   | \$13.240              | \$12.200 | \$12.140 | \$10.850 | \$11.950  |
| <b>Total investment return based on:<sup>2</sup></b>   |  |                       |          |          |          |           |
| Market value   | 9.28%  | 13.19%                | 4.78%    | 16.69%   | (4.31%)  | (13.11%)  |
| Net asset value  | 9.24%  | 15.87%                | 0.67%    | 13.97%   | (5.65%)  | (3.05%)   |
| <b>Ratios and supplemental data:</b>   |  |                       |          |          |          |           |
| Net assets applicable to common shares, end of period (000 omitted)  | \$67,950   | \$63,487              | \$30,559 | \$31,650 | \$28,967 | \$32,365  |
| Ratio of expenses to average net assets applicable to common shares <sup>3</sup>   | 1.03%  | 0.99%                 | 0.65%    | 0.63%    | 1.06%    | 1.16%     |
| Ratio of net investment income to average net assets applicable to common shares <sup>3</sup>                                      | 5.39%  | 3.99%                 | 4.64%    | 4.48%    | 5.63%    | 6.54%     |
| Ratio of net investment income to average net assets applicable to common shares net of dividends to preferred shares <sup>4</sup> | 4.76%  | 3.96%                 | 4.64%    | 4.48%    | 4.25%    | 4.22%     |
| Portfolio turnover   | 19%  | 101%                  | 50%      | 69%      | 36%      | 17%       |
| <b>Leverage analysis:</b>  |  |                       |          |          |          |           |
| Value of preferred shares outstanding (000 omitted) <sup>5</sup>   | \$30,000   | \$30,000              | \$       | \$       | \$       | \$20,000  |
| Net asset coverage per share of preferred shares, end of period <sup>5</sup>   | \$326,500  | \$311,625             | \$       | \$       | \$       | \$130,914 |
| Liquidation value per share of preferred shares <sup>5,6</sup>   | \$100,000  | \$100,000             | \$       | \$       | \$       | \$50,000  |

<sup>1</sup> Ratios have been annualized and total return and portfolio turnover have 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, if applicable.

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

<sup>5</sup> In 2008, the Fund redeemed all of its preferred shares at par plus accumulated dividends amounting to \$20,019,516. In March 2012, the Fund issued a new series of 300 variable rate preferred shares, with a liquidation preference of \$100,000 per share.

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

See accompanying notes, which are an integral part of the financial statements.

# Notes to financial statements

## Delaware Investments® Closed-End Municipal Bond Funds

September 30, 2012 (Unaudited)

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). 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' shares trade on the NYSE MKT, the successor to the American Stock Exchange.

The investment objective of each Fund is to provide current income exempt from federal income tax and from state personal income tax, if any, consistent with the preservation of capital. Each of Colorado Municipal Fund and Minnesota Municipal Fund II 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 at the time of investment. The National Municipal Fund seeks to achieve its investment objective by investing at least 80% of its net assets in securities the income from which is exempt from federal income tax.

### 1. Significant Accounting Policies

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

**Security Valuation** Debt securities are valued based upon valuations provided by an independent pricing service or broker and reviewed by management. 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. Valuations for fixed income securities utilize matrix systems, which reflect such factors as security prices, yields, maturities, and ratings, and are supplemented by dealer and exchange quotations. 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 (each a Board, and collectively, the Boards). 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.

**Federal Income Taxes** No provision for federal income taxes has been made as each Fund intends 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. 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. Management has analyzed the Funds' tax positions taken for all open federal income tax years and has concluded that no provision for federal income tax is required in the Funds' financial statements.

**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 Funds' participation in inverse floater programs where a 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 Funds receive the inverse floating rate securities and cash from the trust. As a result of certain rights retained by the Funds, 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' expenses are recorded on the accrual basis. There were no interest and related expenses for the six months ended September 30, 2012.

**Use of Estimates** The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the fair value of investments, the reported amounts of assets and liabilities and disclosure of contingent 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 and the differences could be material.

**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 on debt securities are amortized to interest income over the lives of the respective securities using the effective interest method. Each Fund declares and pays dividends from net investment income monthly and distributions from net realized gain on investments, if any, annually. Each Fund may distribute income dividends and capital gains more frequently, if necessary for tax purposes. Dividends and distributions, if any, are recorded on the ex-dividend date.

The Funds may receive earnings credits from their custodian when positive cash balances are maintained, which are used to offset custody fees. There were no earnings credits for the six months ended September 30, 2012.

The Funds may receive earnings credits from their transfer agent when positive cash balances are maintained, which are used to offset transfer agent fees. There were no earnings credits for the six months ended September 30, 2012.



## Notes to financial statements

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

#### 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 adjusted average daily net assets of each Fund.

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, 2012, the Funds were charged as follows:

|  | Colorado<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II | National<br>Municipal<br>Fund |
|--|-------------------------------|-----------------------------------|-------------------------------|
|  | \$2,556                       | \$6,132                           | \$2,349                       |

At September 30, 2012, each Fund had liabilities payable to affiliates as follows:

|   | Colorado<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II | National<br>Municipal<br>Fund |
|---|-------------------------------|-----------------------------------|-------------------------------|
| Investment management fees payable to DMC                   | \$ 34,542                     | \$ 82,925                         | \$ 32,008                     |
| Accounting administration and other expenses payable to DSC | 420                           | 1,009                             | 389                           |
| Other expenses payable to DMC and affiliates*               | 1,137                         | 2,681                             | 1,015                         |

\*DMC, as part of its administrative services, pays operating expenses on behalf of each Fund and is reimbursed on a periodic basis. Expenses include items such as printing of shareholder reports, fees for audit, legal and tax services, registration 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, 2012, each Fund was charged for internal legal and tax services provided by DMC and/or its affiliates employees as follows:

|  | Colorado<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II | National<br>Municipal<br>Fund |
|--|-------------------------------|-----------------------------------|-------------------------------|
|  | \$5,377                       | \$12,633                          | \$13,230                      |

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 Trust. These officers and Directors/Trustees are paid no compensation by the Funds.

#### 3. Investments

For the six months ended September 30, 2012, the Funds made purchases and sales of investment securities other than short-term investments as follows:

|           | Colorado<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II | National<br>Municipal<br>Fund |
|-----------|-------------------------------|-----------------------------------|-------------------------------|
| Purchases | \$ 2,535,022                  | \$ 31,203,565                     | \$ 33,546,545                 |
| Sales     | 1,759,456                     | 27,020,189                        | 17,398,713                    |

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At September 30, 2012, the cost of investments for federal income tax purposes has been estimated since final tax characteristics cannot be determined until fiscal year end. At September 30, 2012, the cost of investments and unrealized appreciation (depreciation) for each Fund were as follows:

|                                   | Colorado<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II | National<br>Municipal<br>Fund |
|-----------------------------------|-------------------------------|-----------------------------------|-------------------------------|
| Cost of investments               | \$ 96,696,237                 | \$ 236,583,479                    | \$ 89,339,508                 |
| Aggregate unrealized appreciation | \$ 7,816,641                  | \$ 18,510,003                     | \$ 8,094,838                  |
| Aggregate unrealized depreciation |                               | (11,555)                          | (25,989)                      |
| Net unrealized appreciation       | \$ 7,816,641                  | \$ 18,498,448                     | \$ 8,068,849                  |

U.S. GAAP defines fair value as the price that the Funds would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. A three level hierarchy for fair value measurements has been established 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. Each Fund's investment in its entirety is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three level hierarchy of inputs is summarized below.

Level 1 inputs are quoted prices in active markets for identical investments (e.g., equity securities, open-end investment companies, futures contracts, exchange-traded options contracts)

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs) (e.g., debt securities, government securities, swap contracts, foreign currency exchange contracts, foreign securities utilizing international fair value pricing, broker-quoted securities, fair valued securities)

Level 3 inputs are significant unobservable inputs (including the Fund's own assumptions used to determine the fair value of investments)(e.g., broker-quoted securities, fair valued securities)

Level 3 investments are valued using significant unobservable inputs, which may include prior transaction prices (acquisition cost) that did not occur during the period, financial or news information released by the company, and other relevant information for the investment to determine the fair value of the investment. The Fund may also use an income-based valuation approach in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Valuations may also be based upon current market prices of securities that are comparable in coupon, rating, maturity and industry. The derived value of a Level 3 investment may not represent the value which is received upon disposition and this could impact the results of operations.

The following table summarizes the valuation of each Fund's investments by fair value hierarchy levels as of September 30, 2012:

|                        | Colorado Municipal Fund<br>Level 2     |
|------------------------|--|
| Municipal Bonds        | \$ 104,512,878                         |
|                        |  |
|                        | Minnesota Municipal Fund II<br>Level 2 |
| Municipal Bonds        | \$ 255,081,927                         |
|                        |  |
|                        | National Municipal Fund<br>Level 2     |
| Municipal Bonds        | \$ 96,658,357                          |
| Short-Term Investments | 750,000                                |
| Total                  | \$ 97,408,357                          |

During the six months ended September 30, 2012, there were no transfers between Level 1 investments, Level 2 investments or Level 3 investments that had a material impact to the Funds. The Funds' policy is to recognize transfers between levels at the beginning of the reporting period.

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## Notes to financial statements

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

#### 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. GAAP. 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, 2012 and the year ended March 31, 2012 was as follows:

|                                  | Colorado<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II | National<br>Municipal<br>Fund |
|----------------------------------|-------------------------------|-----------------------------------|-------------------------------|
| <b>Six Months Ended 9/30/12*</b> |                               |                                   |                               |
| Ordinary income                  | \$ 5,144                      | \$ 89,753                         | \$ 7,263                      |
| Tax-exempt income                | 1,663,656                     | 3,879,463                         | 1,260,701                     |
| Long-term capital gain           | 445,013                       |                                   |                               |
| Total                            | \$ 2,113,813                  | \$ 3,969,216                      | \$ 1,267,964                  |
| <b>Year Ended 3/31/12</b>        |                               |                                   |                               |
| Ordinary income                  | \$ 959                        | \$ 533                            | \$ 8,868                      |
| Tax-exempt income                | 2,804,559                     | 6,672,353                         | 2,286,347                     |
| Total                            | \$ 2,805,518                  | \$ 6,672,886                      | \$ 2,295,215                  |

\*Tax information for the six months ended September 30, 2012 is an estimate and the tax character of dividends and distributions may be redesigned at fiscal year end.

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

|  | Colorado<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II | National<br>Municipal<br>Fund |
|--|-------------------------------|-----------------------------------|-------------------------------|
| Shares of beneficial interest            | \$ 66,918,121                 | \$ 157,931,075                    | \$ 60,617,476                 |
| Undistributed tax-exempt income          | 1,468,561                     | 2,462,009                         | 897,927                       |
| Undistributed ordinary income            | 19,828                        | 316,780                           |                               |
| Undistributed long-term capital gains    | 22,729                        | 69,811                            |                               |
| Distribution payable                     | (756,783)                     | (745,627)                         | (249,065)                     |
| Realized gains 4/1/12 9/30/12            |                               | 257,166                           | 362,677                       |
| Capital loss carryforwards as of 3/31/12 |                               | (257,166)                         | (1,747,836)                   |
| Unrealized appreciation                  | 7,816,641                     | 18,498,448                        | 8,068,849                     |
| Net assets                               | \$ 75,489,097                 | \$ 178,532,496                    | \$ 67,950,028                 |

The differences between book basis and tax basis components of net assets are primarily attributable to 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 market discount on debt instruments. Results of operations and net assets were not affected by these reclassifications. For the six months ended September 30, 2012, the Funds recorded an estimate of these differences since final tax characteristics cannot be determined until fiscal year end.

|                                      | Colorado<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II | National<br>Municipal<br>Fund |
|--------------------------------------|-------------------------------|-----------------------------------|-------------------------------|
| Undistributed net investment income  | \$ (2,471)                    | \$ (19,966)                       | \$ (34,847)                   |
| Accumulated net realized gain (loss) | 2,471                         | 19,966                            | 34,847                        |



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, 2012 will expire as follows:

| Year of Expiration | Colorado<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II | National<br>Municipal<br>Fund |
|--------------------|-------------------------------|-----------------------------------|-------------------------------|
| 2017               | \$                            | \$                                | \$ 888,041                    |
| 2018               |                               | 257,166                           | 859,795                       |
| Total              | \$                            | \$ 257,166                        | \$ 1,747,836                  |

On December 22, 2010, the Regulated Investment Company Modernization Act of 2010 (Act) was enacted, which changed various technical rules governing the tax treatment of regulated investment companies. The changes are generally effective for taxable years beginning after the date of enactment. Under the Act, the Funds are permitted to carry forward capital losses incurred in taxable years beginning after the date of enactment for an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to the losses incurred in pre-enactment taxable years, which carry an expiration date. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital loss carryforwards will retain their character as either short-term or long-term capital losses rather than being considered all short-term as permitted under previous regulation.

For the six months ended September 30, 2012, the Funds had capital gains, as follows, which may reduce the capital loss carryforwards:

|    | Colorado<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II | National<br>Municipal<br>Fund |
|----|-------------------------------|-----------------------------------|-------------------------------|
| \$ |                               | \$257,166                         | \$362,677                     |

## 6. Capital Stock

Pursuant to their articles of incorporation, 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, 2012. Shares issuable under the Funds' dividend reinvestment plan are purchased by the Funds' transfer agent, Computershare Shareowner Services LLC (Computershare), in the open market.

On February 18, 2011, the National Municipal Fund's Board approved a tender offer for shares of the Arizona Municipal Fund's common stock. The tender offer authorized the National Municipal Fund to purchase for cash up to 18% of the then-outstanding shares of the Arizona Municipal Fund's common stock after the reorganization (Common Stock) at a per share price equal to 99% of the net asset value per share of the Common Stock at the expiration of the tender offer.

In connection with the tender offer, the National Municipal Fund purchased 994,051 shares of capital stock at a total cost of approximately \$13,240,759. The tender offer was oversubscribed and all tenders of shares were subject to pro-ration (at a ratio of approximately 0.58504231) in accordance with the terms of its tender offer.

On November 15, 2011, Colorado Municipal Fund and Minnesota Municipal Fund II, issued \$30,000,000 and \$75,000,000, respectively, of Series 2016 Variable Rate MuniFund Term Preferred (VMTP) Shares, with \$100,000 liquidation value per share in a privately negotiated offering. On March 15, 2012, National Municipal Fund (VFL) issued \$30,000,000 Series 2017 VMTP Shares, with \$100,000 liquidation value per share in a privately negotiated offering. Proceeds from the issuance of VMTP Shares, net of offering expenses, were invested in accordance with each fund's investment objective. The VMTP Shares were offered to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933.

Colorado Municipal Fund and Minnesota Municipal Fund II are obligated to redeem their VMTP Shares on December 1, 2016, unless earlier redeemed or repurchased by the Fund. National Municipal Fund is obligated to redeem its VMTP Shares on April 1, 2017, unless earlier redeemed or repurchased by the Fund. VMTP Shares are subject to optional and mandatory redemption in certain circumstances. The VMTP Shares may be redeemed at the option of a Fund, subject to payment of a premium until December 1, 2013 (with respect to VMM and VCF) and April 1, 2014 (with respect to VFL), and at par thereafter. A Fund may be obligated to redeem certain of the VMTP Shares if the Fund fails to maintain certain asset coverage and leverage ratio requirements and such failures are not cured by the applicable cure date. The redemption price per share is equal to the sum of the liquidation value per share plus any accumulated but unpaid dividends. Dividends on the VMTP Shares (which are treated as interest payments for financial reporting purposes) are set weekly.

The Funds use leverage because their managers believe that, over time, leveraging may provide opportunities for additional income and total return for common shareholders. However, the use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by a fund decline, the negative impact of these valuation changes on common share net asset value and common shareholder total return is magnified by the use of leverage; accordingly, the use of structural leverage may hurt a fund's overall performance.

Leverage may also cause the Funds to incur certain costs. In the event that a Fund is unable to meet certain criteria (including, but not limited to, maintaining certain ratings with Fitch Ratings and Moody's Investor Service, funding dividend payments or funding redemptions), that Fund will pay additional fees with respect to the leverage.

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## Notes to financial statements

### Delaware Investments<sup>®</sup> Closed-End Municipal Bond Funds

#### 7. Fund Merger

On June 20, 2011, the National Municipal Fund acquired all of the assets of the Delaware Investments Arizona Municipal Fund, Inc. (Acquired Fund), a closed-end investment company, in exchange for the shares of the National Municipal Fund (Acquiring Fund) pursuant to a Plan and Agreement of Reorganization (Reorganization). The shareholders of the Acquired Fund received shares of the Acquiring Fund equal to the aggregate net asset value of their share in the Acquired Fund prior to the Reorganization, as shown in the following table:

|              | Acquiring<br>Fund | Acquired<br>Fund | Value        |
|--------------|-------------------|------------------|--------------|
|              | Shares            | Shares           |              |
| Common Stock | 2,422,200         | 3,100,925        | \$40,715,147 |

The Reorganization was treated as a non-taxable event and, accordingly, the Acquired Fund's basis in securities acquired reflected historical cost basis as of the date of transfer. The net assets and net unrealized appreciation of the Acquired Fund as of the close of business on June 17, 2011, were as follows:

|                             |              |
|-----------------------------|--------------|
| Net assets                  | \$40,715,147 |
| Net unrealized appreciation | 65,229       |

The net assets of the Acquiring Fund before the acquisition were \$31,792,649. The net assets of the Acquiring Fund immediately following the acquisition were \$72,507,796.

Assuming that the acquisition had been completed on April 1, 2011, the beginning of the Acquiring Fund's reporting period, the Acquiring Fund's pro forma results of operations for the year ended March 31, 2012, are as follows:

|  |             |
|--|-------------|
| Net investment income                                | \$2,611,659 |
| Net realized gain on investments                     | 909,699     |
| Change in unrealized appreciation                    | 5,974,605   |
| Net increase in net assets resulting from operations | 9,477,059   |

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of the Acquired Fund that have been included in the National Municipal Fund's statement of operations since June 20, 2011.

#### 8. Derivatives

U.S. GAAP requires disclosures that enable investors to understand: 1) how and why an entity uses derivatives; 2) how they are accounted for; and 3) how they affect an entity's results of operations and financial position.

**Inverse Floaters** Each Fund 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 their 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, 2012, and during the period then ended, the Funds held no investments in inverse floaters.

#### 9. Credit and Market Risk

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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 may reduce the risk of loss due to default by an issuer, such bonds remain subject to the risk that market 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 each Fund. At September 30, 2012, the percentages of each Fund's net assets insured by insurers are listed below and these securities have been identified in the statements of net assets.

|                             |     |
|-----------------------------|-----|
| Colorado Municipal Fund     | 41% |
| Minnesota Municipal Fund II | 12% |
| National Municipal Fund     | 11% |

The Funds invest a portion of their assets in high yield fixed income securities, which are securities rated BB or lower by Standard & Poor's (S&P) and/or Ba or lower by Moody's Investors Service, Inc. (Moody's), or similarly rated by another nationally recognized statistical rating organization. Investments in these higher yielding securities are generally accompanied by a greater degree of credit risk than higher rated securities. Additionally, lower rated securities may be more susceptible to adverse economic and competitive industry conditions than investment grade securities.

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, S&P, 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 securities. 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, 2012, no securities have been determined to be illiquid under the Funds' Liquidity Procedures. Rule 144A securities have been identified on the statements of net assets.

## **10. 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 each Fund's existing contracts and expects the risk of loss to be remote.

## **11. Investments in Municipal Securities Issued by the State of Arizona**

On May 23, 2011, shareholders of the National Municipal Fund and shareholders of the Delaware Investments Arizona Municipal Income Fund, Inc. (Arizona Muni Fund) approved the acquisition of substantially all of the assets of Arizona Muni Fund in exchange for newly issued common shares of the National Municipal Fund, which was structured as a tax-free transaction. This acquisition was completed after the close of business on June 17, 2011. As of September 30, 2012, municipal bonds issued by the state of Arizona constitute approximately 15% of the Fund's portfolio. These investments could make the National Municipal Fund more sensitive to economic conditions in Arizona than other more geographically diversified national municipal income funds.

## **12. Subsequent Events**

Management has determined that no material events or transactions occurred subsequent to September 30, 2012 that would require recognition or disclosure in the Funds' financial statements.

## Other Fund information (Unaudited)

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

#### Fund management

Joseph R. Baxter  
Senior Vice President, Head of Municipal Bond Department, Senior Portfolio Manager

Joseph R. Baxter is the head of the municipal bond department and is responsible for setting the department's investment strategy. He is also a co-portfolio manager of the firm's municipal bond funds and several client accounts. Before joining Delaware Investments in 1999 as head municipal bond trader, he held investment positions with First Union, most recently as a municipal portfolio manager with the Evergreen Funds. Baxter received a bachelor's degree in finance and marketing from La Salle University.

Stephen J. Czepiel  
Senior Vice President, Senior Portfolio Manager

Stephen J. Czepiel is a member of the firm's municipal fixed income portfolio management team with primary responsibility for portfolio construction and strategic asset allocation. He is a co-portfolio manager of the firm's municipal bond funds and client accounts. He joined Delaware Investments in July 2004 as a senior bond trader. Previously, he was vice president at both Mesirow Financial and Loop Capital Markets. He began his career in the securities industry in 1982 as a municipal bond trader at Kidder Peabody and now has more than 20 years of experience in the municipal securities industry. Czepiel earned his bachelor's degree in finance and economics from Duquesne University.

Denise A. Franchetti, CFA  
Vice President, Portfolio Manager, Senior Research Analyst

Denise A. Franchetti is a senior research analyst for the municipal bond department. Currently, she is responsible for following the airport, education, hotel, cogeneration, and cargo sectors for the group. In 2003, she was also named as portfolio manager on the tax-exempt closed-end funds in addition to her research duties. Prior to joining Delaware Investments in 1997 as a municipal bond analyst, she was a fixed income trader at Provident Mutual Life Insurance and an investment analyst at General Accident Insurance. Franchetti received her bachelor's degree and an MBA from La Salle University. She is a member of the Financial Analysts of Philadelphia.

Gregory A. Gizzi  
Senior Vice President, Portfolio Manager,  
Head of Convertible Bond and Municipal Bond Trading

Gregory A. Gizzi is a member of the firm's municipal fixed income portfolio management team and municipal trading team, and head of the municipal bond trading staff. Additionally, Gizzi serves as portfolio manager and head of the convertible bond trading staff. Before joining Delaware Investments in January 2008 as head of municipal bond trading, he spent six years as a vice president at Lehman Brothers for the firm's tax-exempt institutional sales effort. Prior to that, he spent two years trading corporate bonds for UBS before joining Lehman Brothers in a sales capacity. Gizzi has more than 20 years of trading experience in the municipal securities industry, beginning at Kidder Peabody in 1984, where he started as a municipal bond trader and worked his way up to institutional block trading desk manager. He later worked in the same capacity at Dillon Read. Gizzi earned his bachelor's degree in economics from Harvard University.

**Proxy Results**

At the Annual Meeting on August 22, 2012, the Funds' Shareholders elected nine directors/trustees. The results of the voting at the meeting were as follows:

Delaware Investments® Colorado Municipal Income Fund, Inc.

|                        | Common Shareholders |                          | Preferred Shareholders |                          |
|------------------------|---------------------|--------------------------|------------------------|--------------------------|
|                        | Shares              | Shares voted<br>Withheld | Shares                 | Shares voted<br>Withheld |
|                        | Voted For           | Authority                | Voted For              | Authority                |
| Thomas L. Bennett      | 4,464,878.156       | 106,130.539              | 300                    | 0                        |
| Patrick P. Coyne       | 4,465,008.087       | 106,000.608              | 300                    | 0                        |
| John A. Fry            | 4,453,631.108       | 117,377.587              | 300                    | 0                        |
| Anthony D. Knerr       | 4,401,636.130       | 169,372.565              | 300                    | 0                        |
| Lucinda S. Landreth    | 4,464,878.156       | 106,130.539              | 300                    | 0                        |
| Ann R. Leven           | 4,460,660.482       | 110,348.213              | 300                    | 0                        |
| Frances Sevilla-Sacasa | 4,405,872.358       | 165,136.337              | 300                    | 0                        |
| Janet L. Yeomans       |                     |                          | 300                    | 0                        |
| J. Richard Zecher      |                     |                          | 300                    | 0                        |

Delaware Investments Minnesota Municipal Income Fund II, Inc.

|                        | Common Shareholders |                          | Preferred Shareholders |                          |
|------------------------|---------------------|--------------------------|------------------------|--------------------------|
|                        | Shares              | Shares voted<br>Withheld | Shares                 | Shares voted<br>Withheld |
|                        | Voted For           | Authority                | Voted For              | Authority                |
| Thomas L. Bennett      | 10,197,036.559      | 274,443.055              | 750                    | 0                        |
| Patrick P. Coyne       | 10,124,676.956      | 346,802.658              | 750                    | 0                        |
| John A. Fry            | 10,188,434.342      | 283,045.272              | 750                    | 0                        |
| Anthony D. Knerr       | 10,147,425.018      | 324,054.596              | 750                    | 0                        |
| Lucinda S. Landreth    | 10,207,627.569      | 263,852.045              | 750                    | 0                        |
| Ann R. Leven           | 10,182,214.447      | 289,265.167              | 750                    | 0                        |
| Frances Sevilla-Sacasa | 10,136,010.616      | 335,468.998              | 750                    | 0                        |
| Janet L. Yeomans       |                     |                          | 750                    | 0                        |
| J. Richard Zecher      |                     |                          | 750                    | 0                        |

Delaware Investments National Municipal Income Fund

|                        | Common Shareholders |                          | Preferred Shareholders |                          |
|------------------------|---------------------|--------------------------|------------------------|--------------------------|
|                        | Shares              | Shares voted<br>Withheld | Shares                 | Shares voted<br>Withheld |
|                        | Voted For           | Authority                | Voted For              | Authority                |
| Thomas L. Bennett      | 4,040,259.193       | 264,632.122              | 300                    | 0                        |
| Patrick P. Coyne       | 4,041,180.676       | 263,710.639              | 300                    | 0                        |
| John A. Fry            | 4,041,660.668       | 263,230.647              | 300                    | 0                        |
| Anthony D. Knerr       | 4,041,831.165       | 263,060.150              | 300                    | 0                        |
| Lucinda S. Landreth    | 4,040,198.694       | 264,692.621              | 300                    | 0                        |
| Ann R. Leven           | 4,039,257.023       | 265,634.292              | 300                    | 0                        |
| Frances Sevilla-Sacasa | 4,040,395.691       | 264,495.624              | 300                    | 0                        |
| Janet L. Yeomans       |                     |                          | 300                    | 0                        |
| J. Richard Zecher      |                     |                          | 300                    | 0                        |

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## Other Fund information (Unaudited)

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

#### Dividend Reinvestment Plan

Each Fund offers an automatic dividend reinvestment program ( Plan ). Under the current policies of Minnesota Municipal Income Fund II and National Municipal Income Fund all distributions of net investment income and capital gains to common shareholders are automatically reinvested in additional shares unless shareholders elect to receive all dividends and other distributions in cash paid by check mailed directly to shareholders by the dividend plan agent. Under the current policies of Colorado Municipal Income Fund, distributions of net investment income and capital gains to common shareholders will be paid in cash unless shareholders notify Computershare Shareowner Services LLC (formerly BNY Mellon Shareowner Services LLC) ( Computershare ) of their desire to participate in the dividend reinvestment program. Shareholders who hold their shares through a bank, broker or other nominee should request the bank, broker or nominee to participate in the Plan on their behalf. This can be done as long as the bank, broker or nominee provides a dividend reinvestment service for the Funds. If the bank, broker or nominee does not provide this service, such shareholders must have their shares taken out of street or nominee name and re-registered in their own name in order to participate in the Plan.

Computershare will apply all cash dividends, capital gains and other distributions (collectively, Distributions ) on each Fund s shares of common stock which become payable to each Plan participant to the purchase of outstanding shares of each Fund s common stock for such participant. These purchases may be made on a securities exchange or in the over-the-counter market, and may be subject to such terms of price, delivery and related matters to which Computershare may agree. The Funds will not issue new shares in connection with the Plan.

Distributions reinvested for participants are subject to income taxes just as if they had been paid directly to the shareholder in cash. Participants will receive a year-end statement showing distributions reinvested, and any brokerage commissions paid on such participant s behalf.

Shareholders holding shares of a Fund in their own names who wish to terminate their participation in the Plan may do so by sending written instruction to Computershare so that Computershare receives such instructions at least 10 days prior to the Distribution record date. Shareholders with shares held in account by a bank, broker or other nominee should contact such bank, broker or other nominee to determine the procedure for withdrawal from the Plan.

If written instructions are not received by Computershare at least 10 days prior to the record date for a particular Distribution, that Distribution may be reinvested at the sole discretion of Computershare. After a shareholder s instructions to terminate participation in the Plan become effective, Distributions will be paid to shareholders in cash. Upon termination, a shareholder may elect to receive either stock or cash for all the full shares in the account. If cash is elected, Computershare will sell such shares at the then current market value and then send the net proceeds to the shareholder, after deducting brokerage commissions and related expenses. Any fractional shares at the time of termination will be paid in cash at the current market price, less brokerage commissions and related expenses, if any. Shareholders may at any time request a full or partial withdrawal of shares from the Plan, without terminating participation in the Plan. When shares outside of the Plan are liquidated, Distributions on shares held under the Plan will continue to be reinvested unless Computershare is notified of the shareholder s withdrawal from the Plan.

An investor holding shares that participate in the Plan in a brokerage account may not be able to transfer the shares to another broker and continue to participate in the Plan. Please contact your broker/dealer for additional details.

Computershare will charge participants their proportional share of brokerage commissions on market purchases. Participants may obtain a certificate or certificates for all or part of the full shares credited to their accounts at any time by making a request in writing to Computershare. A fee may be charged to the participant for each certificate issuance.

If you have any questions and shares are registered in street name, contact the broker/dealer holding the shares or your financial advisor. If you have any questions and shares are registered in your name, contact Computershare at 866 437-0252.



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

At a meeting held on August 21-23, 2012 (the Annual Meeting), the Board of Directors (the Board), including a majority of disinterested or independent Directors, approved the renewal of the Investment Advisory Agreements for each of the 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 together, 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 and sub-advisory contracts. Information furnished specifically in connection with the renewal of the Investment Advisory Agreements 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, reports were provided in May 2012 and included independent historical and comparative reports provided by Lipper, Inc., an independent statistical compilation organization (Lipper). The Lipper reports compared each Fund's investment performance and expenses with those of other comparable mutual funds. The Independent Directors reviewed and discussed the Lipper reports with independent legal counsel to the Independent Directors. The Board requested and received information regarding DMC's policy with respect to advisory fee levels and its breakpoint philosophy; the structure of portfolio manager compensation; the investment manager's profitability; comparative client fee information; and any constraints or limitations on the availability of securities in certain investment styles, which had in the past year inhibited, or which were likely in the future to 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 Directors received assistance and advice from and met separately with independent legal counsel to the Independent Directors. Although the Board gave attention to all information furnished, the following discussion identifies, under separate headings, the primary factors taken into account by the Board during 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 considered reports furnished to it throughout the year, which covered matters such as the relative performance of the Funds, compliance of portfolio managers with the investment policies, strategies and restrictions for the Funds, compliance by DMC (Management) personnel with the Code of Ethics adopted throughout the Delaware Investments Family of Funds complex and 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. The Board recognized DMC's receipt of several industry distinctions. The Board gave favorable consideration to DMC's efforts to control expenditures while maintaining service levels committed to fund matters. The Board was satisfied with the nature, extent and quality of the overall services provided by Delaware Investments.

**Investment Performance.** The Board placed significant emphasis on the investment performance of the Funds in view of the importance of investment performance 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 March 31, 2012. 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 Colorado Municipal Income Fund, Inc. The Performance Universe for the Fund consisted of the Fund and all 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-, five- and ten- year periods was in the fourth quartile. The Fund's performance results were not in line with the Board's objective. In evaluating the Fund's performance, the Board considered the numerous investment and performance reports delivered by Management personnel to the Board's Investments Committee. The Board was satisfied that Management was taking action to improve 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 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-, three-, five- and ten-year periods was in the fourth quartile of its Performance Universe. The Fund's performance results were not in line with the Board's objective. In evaluating the Fund's performance, the Board considered the numerous investment and performance reports delivered by Management personnel to the Board's Investments Committee. The Board was satisfied that Management was taking action to improve Fund performance and to meet the Board's performance objective.

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## Other Fund information (Unaudited)

### Delaware Investments<sup>®</sup> Closed-End Municipal Bond Funds

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

Delaware Investments National Municipal Income Fund The Performance Universe for the Fund consisted of the Fund and all non-leveraged closed end general and insured 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 first quartile of its Performance Universe. The report further showed that the Fund's total return for the three-year period was in the second quartile and that the Fund's total return for the five- and ten-year periods was ranked fourth and third of the four funds in the Performance Universe, respectively. In evaluating the Fund's performance, the Board considered the limited size of the Fund's Performance Universe. The Board also considered the numerous investment and performance reports delivered by Management personnel to the Board's Investments Committee. The Board was satisfied that Management was taking effective action to enhance Fund performance and meet the Board's performance objective.

**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 each Fund as of its most recently completed fiscal year. The Board also focused on the comparative analysis of effective management fees and total expense ratios of each Fund versus effective management fees and expense ratios of a group of similar 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) 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 considered fees paid to Delaware Investments for non-management services. The Board's objective is 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 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 those of 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 those of its Expense Group.

Delaware Investments National Municipal Income Fund The expense comparisons for the Fund showed that its management fee was ranked first of the three funds in the Expense Group and its total expenses were ranked second of the three funds in the Expense Group. In evaluating the Fund's total expenses, the Board considered the limited number of funds in the Expense Group. The Board was satisfied with Management's efforts to improve the Fund's total expense ratio and bring it in line with the Board's objective.

**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, reflects recent 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 Securities and Exchange Commission 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 management fees were 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.

**Change in Independent Registered Public Accounting Firm**

Due to independence matters under the Securities and Exchange Commission's auditor independence rules relating to the January 4, 2010 acquisition of Delaware Investments (including DMC) by Macquarie Group, Ernst & Young LLP (E&Y) has resigned as the independent registered public accounting firm for Delaware Investments® Colorado Municipal Income Fund, Inc., Delaware Investments Minnesota Municipal Income Fund II, Inc., and Delaware Investments National Municipal Income Fund (the Funds) effective May 27, 2010. At a meeting held on February 18, 2010, the Board of Directors/Trustees of the Funds, upon recommendation of the Audit Committee, selected PricewaterhouseCoopers LLP (PwC) to serve as the independent registered public accounting firm for the Funds for the fiscal year ending March 31, 2011. During the fiscal years ended March 31, 2010 and 2009, E&Y's audit reports on the financial statements of the Funds did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles. In addition, there were no disagreements between the Funds and E&Y on accounting principles, financial statements disclosures or audit scope, which, if not resolved to the satisfaction of E&Y, would have caused them to make reference to the disagreement in their reports. None of the Funds nor anyone on its behalf has consulted with PwC at any time prior to their selection with respect to the application of accounting principles to a specified transaction, either completed or proposed or the type of audit opinion that might be rendered on the Funds' financial statements.

## 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 directors/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  
Drexel University  
Philadelphia, 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

**Frances A. Sevilla-Sacasa**

Chief Executive Officer  
Banco Itaú Europa International  
Miami, FL

**Janet L. Yeomans**

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

**J. Richard Zecher**

Founder  
Investor Analytics  
Scottsdale, AZ

### Your reinvestment options

Each of the Funds offers an automatic dividend reinvestment program. If you would like to reinvest dividends, and shares are registered in your name, contact Computershare Shareowner Services LLC at 866 437-0252. You will be asked to put your request in writing. If you have shares registered in street name, contact the broker/dealer holding the shares or your financial advisor.

### 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**

Executive 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

Each Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. 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 SEC's website at 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 Funds' website at delawareinvestments.com. Each Fund's Forms N-Q may be reviewed and copied at the SEC'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 the Funds' website at delawareinvestments.com; and (ii) on the SEC's website at 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**

PricewaterhouseCoopers LLP  
2001 Market Street  
Philadelphia, PA 19103

**Registrar and stock transfer  
agent**

Computershare Shareowner Services LLC  
480 Washington Blvd.  
Jersey City, NJ 07310  
866 437-0252

**For securities dealers  
and financial institutions  
representatives**

800 362-7500

**Website**

delawareinvestments.com

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

Number of recordholders as of  
September 30, 2012

|                                       |     |
|---------------------------------------|-----|
| Colorado Municipal<br>Income Fund     | 88  |
| Minnesota Municipal Income<br>Fund II | 455 |
| National Municipal Income Fund        | 109 |

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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

Not applicable.

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.

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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.

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**SIGNATURES**

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

**Name of Registrant: DELAWARE INVESTMENTS® MINNESOTA MUNICIPAL INCOME FUND II, INC.**

/s/ PATRICK P. COYNE

By: Patrick P. Coyne

Title: Chief Executive Officer

Date: December 3, 2012

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.

/s/ PATRICK P. COYNE

By: Patrick P. Coyne

Title: Chief Executive Officer

Date: December 3, 2012

/s/ RICHARD SALUS

By: Richard Salus

Title: Chief Financial Officer

Date: December 3, 2012

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