

DELAWARE INV COLORADO INSURED MUNICIPAL INCOME FUND INC

Form N-CSR

November 30, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES

Investment Company Act file number: 811-7810

Exact name of registrant as specified in charter:

Delaware Investments Colorado Insured Municipal Income Fund, Inc.

Address of principal executive offices:

2005 Market Street  
Philadelphia, PA 19103

Name and address of agent for service:

David F. Connor, Esq.  
2005 Market Street  
Philadelphia, PA 19103

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

Date of fiscal year end: March 31

Date of reporting period: September 30, 2006

Item 1. Reports to Stockholders

Semiannual Report

Delaware  
Investments  
Closed-End  
Municipal Bond  
Funds

September 30, 2006

Closed-End

[DELAWARE INVESTMENTS LOGO]

[LOGO] POWERED BY RESEARCH(R)

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Dividend Reinvestment Plans

Each Fund offers an automatic dividend reinvestment program. If Fund shares are registered in your name and you are not already reinvesting dividends but would like to do so, contact the dividend plan agent, Mellon Investor Services LLC, at 800 851-9677. You will be asked to put your request in writing. If you have shares registered in a "street" name, contact your financial advisor or the broker/dealer holding the shares.

Under the current policies of Arizona Municipal Income Fund, Florida Insured Municipal Income Fund, and Minnesota Municipal Income Fund II, all distributions of net investment income and capital gains to common stock 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 Insured Municipal Income Fund, distributions of net investment income and capital gains to common shareholders will be paid in cash unless shareholders notify Mellon Investor Services LLC of their desire to participate in the dividend reinvestment program.

After each Fund declares a dividend or determines to make a capital gains distribution, the plan agent will, as agent for the participants, receive the cash payment and use it to buy shares in the open market on the American Stock Exchange. The Funds will not issue any new shares in connection with the plan. You can contact Mellon at:

Mellon Investor Services LLC  
Dividend Reinvestment Department

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Overpeck Centre  
85 Challenger Road  
Ridgefield, NJ 07660  
800 851-9677

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

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

## Sector allocations and credit rating breakdowns

As of September 30, 2006

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

Delaware Investments

Arizona Municipal Income Fund, Inc.

| Sector                           | Percentage<br>of Net Assets |
|----------------------------------|-----------------------------|
| Municipal Bonds                  | 149.22%                     |
| Education Revenue Bonds          | 14.47%                      |
| Electric Revenue Bonds           | 6.52%                       |
| Health Care Revenue Bonds        | 20.05%                      |
| Housing Revenue Bonds            | 2.07%                       |
| Lease Revenue Bonds              | 10.80%                      |
| Local General Obligation Bonds   | 19.81%                      |
| Pre-Refunded Bonds               | 28.56%                      |
| Special Tax Revenue Bonds        | 8.26%                       |
| State General Obligation Bonds   | 6.08%                       |
| Transportation Revenue Bonds     | 27.06%                      |
| Water & Sewer Revenue Bonds      | 5.54%                       |
| Short-Term Investments           | 7.23%                       |
| Total Market Value of Securities | 156.45%                     |

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|   |       |
|---|-------|
| Receivables and Other Assets Net of Liabilities | 0.03% |
|---|-------|

|                                      |          |
|--------------------------------------|----------|
| Liquidation Value of Preferred Stock | (56.48%) |
|--------------------------------------|----------|

|                  |         |
|------------------|---------|
| Total Net Assets | 100.00% |
|------------------|---------|

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

|     |        |
|-----|--------|
| AAA | 71.91% |
|-----|--------|

|    |        |
|----|--------|
| AA | 13.05% |
|----|--------|

|   |       |
|---|-------|
| A | 6.75% |
|---|-------|

|     |       |
|-----|-------|
| BBB | 3.68% |
|-----|-------|

|           |       |
|-----------|-------|
| Not Rated | 4.61% |
|-----------|-------|

|       |         |
|-------|---------|
| Total | 100.00% |
|-------|---------|

Delaware Investments

Colorado Insured Municipal Income Fund, Inc.

| Sector | Percentage<br>of Net Assets |
|--------|-----------------------------|
|--------|-----------------------------|

|                 |         |
|-----------------|---------|
| Municipal Bonds | 147.44% |
|-----------------|---------|

|                         |        |
|-------------------------|--------|
| Education Revenue Bonds | 31.54% |
|-------------------------|--------|

|                        |       |
|------------------------|-------|
| Electric Revenue Bonds | 1.46% |
|------------------------|-------|

|                           |       |
|---------------------------|-------|
| Health Care Revenue Bonds | 5.32% |
|---------------------------|-------|

|                     |        |
|---------------------|--------|
| Lease Revenue Bonds | 10.78% |
|---------------------|--------|

|                                |        |
|--------------------------------|--------|
| Local General Obligation Bonds | 15.45% |
|--------------------------------|--------|

|                    |        |
|--------------------|--------|
| Pre-Refunded Bonds | 48.60% |
|--------------------|--------|

|                           |       |
|---------------------------|-------|
| Special Tax Revenue Bonds | 3.82% |
|---------------------------|-------|

|                              |        |
|------------------------------|--------|
| Transportation Revenue Bonds | 17.81% |
|------------------------------|--------|

|                             |        |
|-----------------------------|--------|
| Water & Sewer Revenue Bonds | 12.66% |
|-----------------------------|--------|

|                        |       |
|------------------------|-------|
| Short-Term Investments | 5.39% |
|------------------------|-------|

|                                  |         |
|----------------------------------|---------|
| Total Market Value of Securities | 152.83% |
|----------------------------------|---------|

|   |          |
|---|----------|
| Receivables and Other Assets Net of Liabilities                 | 1.20%    |
| Liquidation Value of Preferred Stock                            | (54.03%) |
| Total Net Assets  | 100.00%  |
| Credit Rating Breakdown<br>(as a % of fixed income investments) |          |
| AAA   | 97.55%   |
| AA  | 2.45%    |
| Total   | 100.00%  |

(continues) 1

Sector allocations and credit rating breakdowns

As of September 30, 2006

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

Delaware Investments

Florida Insured Municipal Income Fund

| Sector                         | Percentage<br>of Net Assets |
|--------------------------------|-----------------------------|
| Municipal Bonds                | 151.98%                     |
| Education Revenue Bonds        | 3.56%                       |
| Electric Revenue Bonds         | 5.79%                       |
| Health Care Revenue Bonds      | 18.16%                      |
| Housing Revenue Bonds          | 23.16%                      |
| Lease Revenue Bonds            | 16.94%                      |
| Local General Obligation Bonds | 3.84%                       |
| Pre-Refunded Bonds             | 12.07%                      |

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|                                |        |
|--------------------------------|--------|
| Special Tax Revenue Bonds      | 28.84% |
| State General Obligation Bonds | 5.93%  |
| Transportation Revenue Bonds   | 18.28% |
| Water & Sewer Revenue Bonds    | 15.41% |

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|                                  |         |
|----------------------------------|---------|
| Total Market Value of Securities | 151.98% |
|----------------------------------|---------|

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|   |       |
|---|-------|
| Receivables and Other Assets Net of Liabilities | 4.28% |
|---|-------|

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|                                      |          |
|--------------------------------------|----------|
| Liquidation Value of Preferred Stock | (56.26%) |
|--------------------------------------|----------|

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|                  |         |
|------------------|---------|
| Total Net Assets | 100.00% |
|------------------|---------|

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

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|     |         |
|-----|---------|
| AAA | 100.00% |
|-----|---------|

---

|       |         |
|-------|---------|
| Total | 100.00% |
|-------|---------|

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Delaware Investments

Minnesota Municipal Income Fund II, Inc.

| Sector                         | Percentage<br>of Net Assets |
|--------------------------------|-----------------------------|
| Municipal Bonds                | 152.79%                     |
| Corporate-Backed Revenue Bonds | 6.66%                       |
| Education Revenue Bonds        | 8.63%                       |
| Electric Revenue Bonds         | 17.93%                      |
| Escrowed to Maturity Bonds     | 17.16%                      |
| Health Care Revenue Bonds      | 20.31%                      |
| Housing Revenue Bonds          | 10.31%                      |
| Lease Revenue Bonds            | 10.41%                      |
| Local General Obligation Bonds | 25.45%                      |
| Pre-Refunded Bonds             | 16.25%                      |

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|                                |        |
|--------------------------------|--------|
| Special Tax Revenue Bonds      | 1.63%  |
| State General Obligation Bonds | 4.74%  |
| Transportation Revenue Bonds   | 13.31% |

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|                                  |         |
|----------------------------------|---------|
| Total Market Value of Securities | 152.79% |
|----------------------------------|---------|

---

|   |       |
|---|-------|
| Receivables and Other Assets Net of Liabilities | 2.53% |
|---|-------|

---

|                                      |          |
|--------------------------------------|----------|
| Liquidation Value of Preferred Stock | (55.32%) |
|--------------------------------------|----------|

---

|                  |         |
|------------------|---------|
| Total Net Assets | 100.00% |
|------------------|---------|

---

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

---

|     |        |
|-----|--------|
| AAA | 57.06% |
|-----|--------|

|    |        |
|----|--------|
| AA | 14.90% |
|----|--------|

|   |        |
|---|--------|
| A | 15.55% |
|---|--------|

|     |       |
|-----|-------|
| BBB | 9.07% |
|-----|-------|

|    |       |
|----|-------|
| BB | 2.18% |
|----|-------|

|   |       |
|---|-------|
| B | 0.33% |
|---|-------|

|           |       |
|-----------|-------|
| Not Rated | 0.91% |
|-----------|-------|

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|       |         |
|-------|---------|
| Total | 100.00% |
|-------|---------|

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Statements of net assets

Delaware Investments Arizona Municipal Income Fund, Inc.

September 30, 2006 (Unaudited)

|  | Principal<br>Amount | Market<br>Value |
|--|---------------------|-----------------|
|--|---------------------|-----------------|

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|                   |         |  |
|-------------------|---------|--|
| Municipal Bonds - | 149.22% |  |
|-------------------|---------|--|

|   |              |              |
|---|--------------|--------------|
| Education Revenue Bonds - 14.47%  |              |              |
| Arizona State University Certificates of Participation (Research Infrastructure Project)                  |              |              |
| 5.00% 9/1/30 (AMBAC)  | \$ 1,000,000 | \$ 1,048,940 |
| Arizona Student Loan Acquisition Authority Revenue Series A-1   |              |              |
| 5.90% 5/1/24 (AMT)  | 1,500,000    | 1,588,605    |
| Coconino County Unified School District #8 (Aid Revenue Project of 2004) Series A 5.00% 7/1/15 (MBIA)     | 1,000,000    | 1,085,140    |
| Northern Arizona University Certificates of Participation (Northern Arizona University Research Project)  |              |              |
| 5.00% 9/1/30 (AMBAC)  | 1,000,000    | 1,054,800    |
| South Campus Group Student Housing Revenue (Arizona State University South Campus Project)                |              |              |
| 5.625% 9/1/35 (MBIA)  | 1,000,000    | 1,099,910    |
| University of Arizona Certificates of Participation (University of Arizona Project) Series B              |              |              |
| 5.125% 6/1/22 (AMBAC)   | 500,000      | 528,785      |
|   |              | <hr/>        |
|   |              | 6,406,180    |
|   |              | <hr/>        |
| Electric Revenue Bonds - 6.52%  |              |              |
| Salt River Project Agricultural Improvement & Power District Electric System Revenue (Salt River Project) |              |              |
| Series A 5.00% 1/1/31   | 1,500,000    | 1,564,065    |
| Series B 5.00% 1/1/25   | 1,250,000    | 1,320,625    |
|   |              | <hr/>        |
|   |              | 2,884,690    |
|   |              | <hr/>        |
| Health Care Revenue Bonds - 20.05%  |              |              |
| Maricopa County Industrial Development Authority Health Facilities Revenue (Catholic Healthcare West)     |              |              |
| Series A 5.50% 7/1/26 (Mayo Clinic Hospital)  | 430,000      | 461,055      |
| 5.00% 11/15/36  | 750,000      | 784,073      |
| 5.25% 11/15/37  | 2,000,000    | 2,060,560    |
| Mohave County Industrial Development Authority Revenue (Chris/Silver Ridge)                               |              |              |
| 6.375% 11/1/31 (GNMA)   | 260,000      | 268,229      |
| Show Low Industrial Development Authority Hospital Revenue (Navapache Regional Medical Center)            |              |              |
| Series A 5.50% 12/1/17 (ACA)  | 1,600,000    | 1,652,192    |
| University Medical Center Corporation Arizona Hospital Revenue  |              |              |
| 5.00% 7/1/33  | 1,000,000    | 1,018,260    |
| 5.00% 7/1/35  | 500,000      | 510,630      |
| Yavapai County Industrial Development Authority Revenue   |              |              |



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|   |           |           |
|---|-----------|-----------|
| (Yavapai Regional Medical Center)<br>Series A 5.25% 8/1/21 (RADIAN)   | 2,000,000 | 2,120,539 |
|   |           | <hr/>     |
|   |           | 8,875,538 |
|   |           | <hr/>     |
| Housing Revenue Bonds - 2.07%   |           |           |
| Phoenix Industrial Development<br>Authority Single Family<br>Statewide Revenue<br>Series A 5.35% 6/1/20 (GNMA)<br>(FNMA) (FHLMC) (AMT)        | 465,000   | 474,147   |
| Series C 5.30% 4/1/20 (GNMA)<br>(FNMA) (FHLMC) (AMT)  | 370,000   | 373,256   |
| Pima County Industrial Development<br>Authority Single Family<br>Mortgage Revenue Series A-1<br>6.125% 11/1/33 (GNMA) (FNMA)<br>(FHLMC) (AMT) | 70,000    | 70,842    |
|   |           | <hr/>     |
|   |           | 918,245   |
|   |           | <hr/>     |
| Lease Revenue Bonds - 10.80%  |           |           |
| Greater Arizona Development<br>Authority Infrastructure Revenue<br>Series A 5.00% 8/1/22 (MBIA)   | 500,000   | 535,545   |
| Nogales Development Authority<br>Municipal Facilities Revenue<br>5.00% 6/1/30 (AMBAC)   | 500,000   | 527,490   |
| Phoenix Civic Improvement<br>Corporation Excise Tax Senior Lien<br>(Municipal Courthouse Project)<br>Series A 5.25% 7/1/24                    | 1,000,000 | 1,045,750 |
| Prescott Valley Municipal Property<br>Corporation 5.00% 1/1/27 (FGIC)   | 500,000   | 522,475   |
| Tucson Certificates of Participation<br>5.60% 7/1/11  | 1,100,000 | 1,114,333 |
| Yuma Municipal Property Corporation<br>5.00% 7/1/25 (AMBAC)   | 1,000,000 | 1,032,900 |
|   |           | <hr/>     |
|   |           | 4,778,493 |
|   |           | <hr/>     |
| Local General Obligation Bonds - 19.81%   |           |           |
| Maricopa County School District #6<br>(Washington Elementary) Series A<br>5.375% 7/1/13 (FSA)   | 3,000,000 | 3,313,800 |
| (Washington Elementary School<br>Improvement Project of 2001)<br>Series B 5.00% 7/1/17 (FSA)  | 1,000,000 | 1,099,980 |
| Maricopa County School District #38<br>(Madison Elementary)<br>5.00% 7/1/13 (FSA)   | 1,250,000 | 1,352,875 |
| 5.00% 7/1/14 (FSA)  | 825,000   | 898,145   |
| Queen Creek Improvement District #1<br>5.00% 1/1/32   | 1,000,000 | 1,016,200 |
| Tempe Union High School District #213<br>5.00% 7/1/14 (FSA)   | 1,000,000 | 1,088,660 |
|   |           | <hr/>     |
|   |           | 8,769,660 |

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|                                 |           |           |
|---------------------------------|-----------|-----------|
| \$ Pre-Refunded Bonds - 28.56%  |           |           |
| Arizona School Facilities Board |           |           |
| Certificates of Participation   |           |           |
| Series B 5.25% 9/1/19-14 (FSA)  | 1,000,000 | 1,106,140 |
| Arizona School Facilities Board |           |           |
| Revenue (State School           |           |           |
| Improvement) Series 2001        |           |           |
| 5.00% 7/1/19-11                 | 2,000,000 | 2,126,219 |

(continues) 3

Statements of net assets

Delaware Investments Arizona Municipal Income Fund, Inc.

|   | Principal<br>Amount | Market<br>Value |
|---|---------------------|-----------------|
| <hr/>                                   |                     |                 |
| Municipal Bonds (continued)             |                     |                 |
| <hr/>                                   |                     |                 |
| \$ Pre-Refunded Bonds (continued)       |                     |                 |
| Arizona State Transportation Board      |                     |                 |
| Highway Revenue Refunding               |                     |                 |
| 5.75% 7/1/18-09                         | \$ 2,350,000        | \$ 2,486,652    |
| Arizona Water Infrastructure Finance    |                     |                 |
| Authority Revenue Water Quality         |                     |                 |
| Series A 5.05% 10/1/20-11               | 1,500,000           | 1,601,999       |
| Oro Valley Municipal Property           |                     |                 |
| Corporation Excise Tax                  |                     |                 |
| 5.00% 7/1/20-11 (FGIC)                  | 1,000,000           | 1,060,290       |
| Puerto Rico Commonwealth                |                     |                 |
| Public Improvement Series A             |                     |                 |
| 5.125% 7/1/31-11                        | 250,000             | 267,473         |
| Scottsdale Industrial Development       |                     |                 |
| Authority Hospital Revenue              |                     |                 |
| (Scottsdale Healthcare)                 |                     |                 |
| 5.80% 12/1/31-11                        | 1,000,000           | 1,109,390       |
| Southern Arizona Capital Facilities     |                     |                 |
| Finance Corporation (University of      |                     |                 |
| Arizona Project)                        |                     |                 |
| 5.00% 9/1/23-12 (MBIA)                  | 1,150,000           | 1,236,101       |
| Virgin Islands Public Finance Authority |                     |                 |
| Revenue (Gross Receipts Tax)            |                     |                 |
| Series A 6.125% 10/1/29-10 (ACA)        | 1,250,000           | 1,379,313       |
| Yuma Industrial Development             |                     |                 |
| Authority Hospital Revenue              |                     |                 |
| (Yuma Regional Medical Center)          |                     |                 |
| 5.00% 8/1/31-11 (FSA)                   | 250,000             | 268,108         |
|   |                     | 12,641,685      |

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|   |           |            |
|---|-----------|------------|
| Special Tax Revenue Bonds - 8.26%         |           |            |
| Arizona Tourism & Sports Authority        |           |            |
| Tax Revenue Multipurpose                  |           |            |
| Stadium Facilities Series A               |           |            |
| 5.00% 7/1/31 (MBIA)                       | 1,000,000 | 1,043,880  |
| Glendale Municipal Property               |           |            |
| Corporation Series A                      |           |            |
| 5.00% 7/1/33 (AMBAC)                      | 2,000,000 | 2,087,760  |
| San Luis Civic Improvement Corporation    |           |            |
| Municipal Facilities Excise Tax           |           |            |
| Revenue 5.00% 7/1/38 (XLCA)               | 500,000   | 523,980    |
|   |           | <hr/>      |
|   |           | 3,655,620  |
|   |           | <hr/>      |
| State General Obligation Bonds - 6.08%    |           |            |
| Puerto Rico Commonwealth                  |           |            |
| Infrastructure Financing Authority        |           |            |
| Series A 5.50% 10/1/40                    | 2,500,000 | 2,692,050  |
|   |           | <hr/>      |
|   |           | 2,692,050  |
|   |           | <hr/>      |
| Transportation Revenue Bonds - 27.06%     |           |            |
| Phoenix Civic Improvement                 |           |            |
| Corporation Airport Revenue               |           |            |
| Senior Lien                               |           |            |
| Series A 5.00% 7/1/25 (FSA)               | 1,000,000 | 1,024,600  |
| Series B 5.25% 7/1/27 (FGIC) (AMT)        | 2,000,000 | 2,092,200  |
| Puerto Rico Commonwealth Highway          |           |            |
| & Transportation Authority                |           |            |
| Transportation Refunding Series D         |           |            |
| 5.00% 7/1/32 (FSA)                        | 8,500,000 | 8,859,380  |
|   |           | <hr/>      |
|   |           | 11,976,180 |
|   |           | <hr/>      |
| Water & Sewer Revenue Bonds - 5.54%       |           |            |
| Phoenix Civic Improvement                 |           |            |
| Corporation Wastewater Systems            |           |            |
| Revenue Junior Lien                       |           |            |
| 5.00% 7/1/24 (FGIC)                       | 1,590,000 | 1,664,459  |
| 5.00% 7/1/26 (FGIC)                       | 750,000   | 785,618    |
|   |           | <hr/>      |
|   |           | 2,450,077  |
|   |           | <hr/>      |
| Total Municipal Bonds (cost \$62,845,322) |           | 66,048,418 |
|   |           | <hr/>      |
| Short-Term Investments - 7.23%            |           |            |
|   |           | <hr/>      |
| ~ Variable Rate Demand Note - 7.23%       |           |            |
| Scottsdale Industrial Development         |           |            |
| Authority Hospital Revenue                |           |            |
| (Scottsdale Healthcare)                   |           |            |
| Series C 3.73% 9/1/35 (FSA)               | 3,200,000 | 3,200,000  |
|   |           | <hr/>      |
| Total Short-Term Investments              |           |            |

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|  |                    |
|--|--------------------|
| (cost \$3,200,000)   | 3,200,000          |
| Total Market Value of Securities - 156.45%                                   | <hr/>              |
| (cost \$66,045,322)  | 69,248,418         |
| Receivables and Other Assets   |                    |
| Net of Liabilities - 0.03%   | 13,531             |
| Liquidation Value of Preferred Stock - (56.48%)                              | (25,000,000)       |
| Net Assets Applicable to 2,982,200 Shares                                    |                    |
| Outstanding - 100.00%  | <hr/> \$44,261,949 |
| Net Asset Value Per Common Share   |                    |
| (\$44,261,949 / 2,982,200 Shares)  | <hr/> \$14.84      |
| Components of Net Assets at September 30, 2006:                              |                    |
| Common stock, \$0.01 par value, 200 million shares<br>authorized to the Fund | \$40,838,893       |
| Undistributed net investment income  | 56,064             |
| Accumulated net realized gain on investments                                 | 163,896            |
| Net unrealized appreciation of investments                                   | 3,203,096          |
|  | <hr/>              |
| Total net assets   | <hr/> \$44,261,949 |

\$ Pre-Refunded Bonds. Municipals that are generally backed or secured by U.S. Treasury bonds. For Pre-Refunded Bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 7 in "Notes to Financial Statements."

~ Variable rate security. The interest rate shown is the rate as of September 30, 2006.

Summary of Abbreviations:

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

See accompanying notes

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September 30, 2006 (Unaudited)

|  | Principal<br>Amount   | Market<br>Value   |
|--|---|---|
| <hr/>  |   |   |
| Municipal Bonds - 147.44%  |   |   |
| <hr/>  |   |   |
| Education Revenue Bonds - 31.54%   |   |   |
| Boulder County Development<br>Revenue (University Corporation<br>for Atmospheric Research)<br>5.00% 9/1/26 (MBIA)  | \$ 4,500,000  | \$ 4,677,705  |
| Colorado Educational & Cultural<br>Facilities Authority<br>(Bromley School Project)<br>5.25% 9/15/32 (XLCA)<br>(Johnson & Wales University Project)<br>Series A 5.00% 4/1/28 (XLCA)<br>(University of Colorado<br>Foundation Project)<br>5.00% 7/1/27 (AMBAC)<br>(University of Denver Project)<br>Series B 5.25% 3/1/35 (FGIC)<br>(University of Northern Colorado)<br>Series A 5.00% 7/1/31 (MBIA) | 1,000,000<br>3,000,000<br>4,000,000<br>1,500,000<br>2,500,000 | 1,074,240<br>3,132,780<br>4,171,200<br>1,622,070<br>2,584,700 |
| Colorado State Board of Governors<br>(Colorado University) Series B<br>5.00% 3/1/35 (AMBAC)  | 1,800,000   | 1,874,610   |
| University of Northern Colorado<br>Revenue Refunding<br>5.00% 6/1/35 (FSA)   | 4,000,000   | 4,214,000   |
|  |   | 23,351,305  |
| <hr/>  |   |   |
| Electric Revenue Bonds - 1.46%   |   |   |
| Arkansas River Power Authority<br>Colorado Power Revenue<br>Improvement<br>5.25% 10/1/32 (XLCA)  | 1,000,000   | 1,081,240   |
|  |   | 1,081,240   |
| <hr/>  |   |   |
| Health Care Revenue Bonds - 5.32%  |   |   |
| Colorado Health Facilities Authority<br>Revenue<br>(North Colorado Medical Center)<br>5.95% 5/15/12 (MBIA)<br>(Porter Place) Series A<br>6.00% 1/20/36 (GNMA)  | 1,250,000<br>2,515,000  | 1,269,763<br>2,669,999  |
|  |   | 3,939,762   |
| <hr/>  |   |   |
| Lease Revenue Bonds - 10.78%   |   |   |
| Broomfield City & County Certificates<br>of Participation  |   |   |

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|   |           |            |
|---|-----------|------------|
| 5.75% 12/1/24 (AMBAC)                   | 1,500,000 | 1,587,015  |
| Denver Convention Center Series A       |           |            |
| 5.00% 12/1/35 (XLCA)                    | 2,000,000 | 2,099,340  |
| Glendale Certificates of Participation  |           |            |
| 5.00% 12/1/25 (XLCA)                    | 1,500,000 | 1,605,480  |
| Westminster Building Authority          |           |            |
| Certificates of Participation           |           |            |
| 5.25% 12/1/22 (MBIA)                    | 1,555,000 | 1,652,390  |
| Westminster Certificates of             |           |            |
| Participation (Ice Centre Project)      |           |            |
| 5.40% 1/15/23 (AMBAC)                   | 1,000,000 | 1,038,180  |
|   |           | <hr/>      |
|   |           | 7,982,405  |
|   |           | <hr/>      |
| Local General Obligation Bonds - 15.45% |           |            |
| Adams & Arapahoe Counties Joint         |           |            |
| School District #28J (Aurora)           |           |            |
| Series A 5.25% 12/1/25 (MBIA)           | 1,000,000 | 1,099,620  |
| Arapahoe County Water &                 |           |            |
| Wastewater Public Improvement           |           |            |
| District Refunding Series A             |           |            |
| 5.125% 12/1/32 (MBIA)                   | 1,000,000 | 1,058,690  |
| Bowles Metropolitan District            |           |            |
| 5.00% 12/1/33 (FSA)                     | 2,000,000 | 2,093,680  |
| Centennial Downs Metropolitan           |           |            |
| District 5.00% 12/1/28 (AMBAC)          | 1,000,000 | 1,057,990  |
| Douglas County School District #Re-1    |           |            |
| (Douglas & Elbert Counties)             |           |            |
| 5.00% 12/15/21 (MBIA)                   | 1,000,000 | 1,056,430  |
| Garfield Pitkin & Eagle County          |           |            |
| School District #Re-1                   |           |            |
| (Roaring Fork County) Series A          |           |            |
| 5.00% 12/15/27 (FSA)                    | 1,500,000 | 1,590,540  |
| Green Valley Ranch Metropolitan         |           |            |
| District 5.75% 12/1/19 (AMBAC)          | 1,000,000 | 1,061,230  |
| Sand Creek Metropolitan District        |           |            |
| Refunding & Improvement                 |           |            |
| 5.00% 12/1/31 (XLCA)                    | 500,000   | 522,160    |
| Stonegate Village Metropolitan          |           |            |
| District Refunding & Improvement        |           |            |
| Series A 5.50% 12/1/21 (FSA)            | 1,000,000 | 1,012,890  |
| Weld & Adams Counties School            |           |            |
| District #Re-3J                         |           |            |
| 5.00% 12/15/24 (FSA)                    | 830,000   | 884,265    |
|   |           | <hr/>      |
|   |           | 11,437,495 |
|   |           | <hr/>      |
| \$ Pre-Refunded Bonds - 48.60%          |           |            |
| Auraria Higher Education Center         |           |            |
| Parking Facilities System Revenue       |           |            |
| 5.50% 4/1/26-10 (AMBAC)                 | 2,485,000 | 2,645,506  |
| Aurora Certificates of Participation    |           |            |
| 5.50% 12/1/30-10 (AMBAC)                | 2,000,000 | 2,147,080  |
| Burlingame Multifamily Housing          |           |            |
| Revenue Series A                        |           |            |
| 6.00% 11/1/29-09 (MBIA)                 | 2,290,000 | 2,470,773  |
| City of Colorado Springs (Colorado      |           |            |
| Springs College Project)                |           |            |
| 5.375% 6/1/32-09 (MBIA)                 | 5,000,000 | 5,279,200  |
| Colorado Educational & Cultural         |           |            |

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|   |           |           |
|---|-----------|-----------|
| Facilities Authority (University of Denver Project)                                   |           |           |
| 5.50% 3/1/21-11 (AMBAC)   | 3,200,000 | 3,453,888 |
| Denver City & County Excise Tax Revenue (Colorado Convention Center Project) Series A |           |           |
| 5.00% 9/1/20-11 (FSA)   | 6,500,000 | 6,883,759 |
| Denver Convention Center Series A   |           |           |
| 5.00% 12/1/33-13 (XLCA)   | 3,000,000 | 3,243,180 |

(continues) 5

Statements of net assets

Delaware Investments Colorado Insured Municipal Income Fund, Inc.

|  | Principal Amount | Market Value |
|--|------------------|--------------|
| <hr/>  |                  |              |
| Municipal Bonds (continued)  |                  |              |
| <hr/>  |                  |              |
| \$ Pre-Refunded Bonds (continued)  |                  |              |
| E-470 Public Highway Authority Series A                                    |                  |              |
| 5.75% 9/1/29-10 (MBIA)   | \$ 3,000,000     | \$ 3,293,940 |
| 5.75% 9/1/35-10 (MBIA)   | 1,700,000        | 1,866,566    |
| Eagle County Certificates of Participation                                 |                  |              |
| 5.40% 12/1/18-09 (MBIA)  | 1,000,000        | 1,064,710    |
| Lakewood Certificates of Participation                                     |                  |              |
| 5.375% 12/1/22-10 (AMBAC)  | 2,000,000        | 2,141,480    |
| Pueblo County (Library District Project)                                   |                  |              |
| 5.80% 11/1/19-09 (AMBAC)   | 1,395,000        | 1,486,972    |
|  |                  | <hr/>        |
|  |                  | 35,977,054   |
|  |                  | <hr/>        |
| Special Tax Revenue Bonds - 3.82%  |                  |              |
| Broomfield County Sales & Use Tax Revenue Refunding & Improvement Series A |                  |              |
| 5.00% 12/1/31 (AMBAC)  | 650,000          | 678,516      |
| Golden Sales & Use Tax Revenue Improvement Series B                        |                  |              |
| 5.10% 12/1/20 (AMBAC)  | 1,000,000        | 1,060,710    |
| Gypsum Sales Tax & General Funding Revenue 5.25% 6/1/30 (Assured Gty)      | 1,000,000        | 1,088,110    |
|  |                  | <hr/>        |
|  |                  | 2,827,336    |
|  |                  | <hr/>        |
| Transportation Revenue Bonds - 17.81%                                      |                  |              |

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|   |           |              |
|---|-----------|--------------|
| Denver City & County Airport                    |           |              |
| Revenue   |           |              |
| Series A 5.00% 11/15/25 (FGIC)                  | 1,000,000 | 1,068,380    |
| Series E 5.25% 11/15/23 (MBIA)                  | 7,500,000 | 7,687,950    |
| Northwest Parkway Public Highway                |           |              |
| Authority Series A                              |           |              |
| 5.25% 6/15/41 (FSA)                             | 4,150,000 | 4,431,038    |
|   |           | <hr/>        |
|   |           | 13,187,368   |
|   |           | <hr/>        |
| Water & Sewer Revenue Bonds - 12.66%            |           |              |
| Colorado Water Resources & Power                |           |              |
| Development Authority Small                     |           |              |
| Revenue Series A                                |           |              |
| 5.80% 11/1/20 (FGIC)                            | 2,000,000 | 2,157,560    |
| Colorado Water Resources & Power                |           |              |
| Development Authority Revenue                   |           |              |
| (Parker Water & Sanitation                      |           |              |
| District) Series D                              |           |              |
| 5.125% 9/1/34 (MBIA)                            | 1,500,000 | 1,591,395    |
| 5.25% 9/1/43 (MBIA)                             | 2,000,000 | 2,135,900    |
| Lafayette Water Revenue Series A                |           |              |
| 5.00% 12/1/27 (MBIA)                            | 1,100,000 | 1,159,169    |
| Ute Utility Water Conservancy District          |           |              |
| Revenue 5.75% 6/15/20 (MBIA)                    | 2,155,000 | 2,325,159    |
|   |           | <hr/>        |
|   |           | 9,369,183    |
|   |           | <hr/>        |
| Total Municipal Bonds (cost \$103,097,325)      |           | 109,153,148  |
|   |           | <hr/>        |
| Short-Term Investments - 5.39%                  |           |              |
|   |           | <hr/>        |
| ~ Variable Rate Demand Notes - 5.39%            |           |              |
| City of Colorado Springs                        |           |              |
| (Colorado College Project)                      |           |              |
| 3.86% 6/1/29 (SPA)                              | 2,800,000 | 2,800,000    |
| Colorado Housing & Finance                      |           |              |
| Authority (Single Family                        |           |              |
| Mortgage) Series 1-A3                           |           |              |
| 3.75% 11/1/21 (SPA)                             | 1,190,000 | 1,190,000    |
|   |           | <hr/>        |
| Total Short-Term Investments                    |           |              |
| (cost \$3,990,000)                              |           | 3,990,000    |
|   |           | <hr/>        |
| Total Market Value of Securities - 152.83%      |           |              |
| (cost \$107,087,325)                            |           | 113,143,148  |
| Receivables and Other Assets Net                |           |              |
| of Liabilities - 1.20%                          |           | 886,330      |
| Liquidation Value of Preferred Stock - (54.03%) |           | (40,000,000) |
|   |           | <hr/>        |



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|  |              |
|--|--------------|
| Net Assets Applicable to 4,837,100 Shares<br>Outstanding - 100.00% | \$74,029,478 |
|--|--------------|

|   |         |
|---|---------|
| Net Asset Value Per Common Share<br>(\$74,029,478 / 4,837,100 Shares) | \$15.30 |
|---|---------|

Components of Net Assets at September 30, 2006:

|  |              |
|--|--------------|
| Common stock, \$0.01 par value, 200 million shares<br>authorized to the Fund | \$67,238,110 |
| Undistributed net investment income  | 566,699      |
| Accumulated net realized gain on investments                                 | 168,846      |
| Net unrealized appreciation of investments                                   | 6,055,823    |
|  | <hr/>        |
| Total net assets   | \$74,029,478 |

\$ Pre-Refunded Bonds. Municipals that are generally backed or secured by U.S. Treasury bonds. For Pre-Refunded Bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 7 in "Notes to Financial Statements."

~ Variable rate security. The interest rate shown is the rate as of September 30, 2006.

Summary of Abbreviations:

AMBAC - Insured by the AMBAC Assurance Corporation  
 Assured Gty - Insured by the Assured Guaranty Corporation  
 FGIC - Insured by the Financial Guaranty Insurance Company  
 FSA - Insured by Financial Security Assurance  
 GNMA - Insured by Government National Mortgage Association  
 MBIA - Insured by the Municipal Bond Insurance Association  
 SPA - Stand-by Purchase Agreement  
 XLCA - Insured by XL Capital Assurance

See accompanying notes

6

Delaware Investments Florida Insured Municipal Income Fund  
 September 30, 2006 (Unaudited)

|                                 | Principal<br>Amount | Market<br>Value |
|---------------------------------|---------------------|-----------------|
| <hr/>                           |                     |                 |
| Municipal Bonds - 151.98%       |                     |                 |
| <hr/>                           |                     |                 |
| Education Revenue Bonds - 3.56% |                     |                 |

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|  |             |              |
|--|-------------|--------------|
| Florida Agriculture & Mechanical<br>University Revenue<br>(Student Apartment Facility)<br>5.625% 7/1/21 (MBIA)   | \$1,250,000 | \$ 1,264,425 |
|  |             | <hr/>        |
|  |             | 1,264,425    |
|  |             | <hr/>        |
| Electric Revenue Bonds - 5.79%   |             |              |
| JEA Electric Systems Revenue<br>Series 3-A 5.00% 10/1/34 (FSA)   | 2,000,000   | 2,058,400    |
|  |             | <hr/>        |
|  |             | 2,058,400    |
|  |             | <hr/>        |
| Health Care Revenue Bonds - 18.16%   |             |              |
| Escambia County Health Facilities<br>Authority (Florida Health Care<br>Facilities - VHA Program)<br>5.95% 7/1/20 (AMBAC)   | 355,000     | 371,777      |
| Lee County Memorial Health System<br>Board of Directors Series A<br>5.00% 4/1/20 (FSA)   | 1,000,000   | 1,044,700    |
| Miami-Dade County Public Facilities<br>Revenue (Jackson Health Systems)<br>Series A 5.00% 6/1/35 (MBIA)  | 1,500,000   | 1,571,385    |
| Orange County Health Facilities<br>Authority Revenue (Orlando<br>Regional Healthcare) Series A<br>6.25% 10/1/18 (MBIA)   | 2,000,000   | 2,411,900    |
| South Broward Hospital Refunding<br>5.00% 5/1/35 (MBIA)  | 1,000,000   | 1,054,090    |
|  |             | <hr/>        |
|  |             | 6,453,852    |
|  |             | <hr/>        |
| Housing Revenue Bonds - 23.16%   |             |              |
| Broward County Housing Finance<br>Authority (St. Croix Apartments<br>Project ) Series A<br>5.45% 11/1/36 (FSA) (AMT)   | 935,000     | 967,071      |
| Florida Housing Finance Agency<br>(Homeowner Mortgage) Series 2<br>5.90% 7/1/29 (MBIA) (AMT)<br>(Leigh Meadows Apartments<br>HUD) Series N 6.30% 9/1/36<br>(AMBAC) (AMT) | 470,000     | 477,097      |
|  | 2,510,000   | 2,562,434    |
| (Woodbridge Apartments<br>Project) Series L<br>6.05% 12/1/16 (AMBAC) (AMT)   | 1,120,000   | 1,144,259    |
| 6.25% 6/1/36 (AMBAC) (AMT)   | 1,500,000   | 1,532,715    |
| Volusia County Multifamily<br>Housing Finance Authority (San<br>Marco Apartments) Series A<br>5.60% 1/1/44 (FSA) (AMT)   | 1,500,000   | 1,550,535    |
|  |             | <hr/>        |
|  |             | 8,234,111    |
|  |             | <hr/>        |
| Lease Revenue Bonds - 16.94%   |             |              |
| Broward County School Board<br>Certificates of Participation   |             |              |

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|   |           |            |
|---|-----------|------------|
| Series A 5.25% 7/1/24 (FSA)   | 1,000,000 | 1,066,340  |
| Florida State Municipal Loan<br>(Council Revenue) Series A<br>5.00% 2/1/35 (MBIA)                             | 2,000,000 | 2,096,400  |
| Orange County School Board<br>Certificates of Participation<br>Series A 5.00% 8/1/27 (MBIA)                   | 1,250,000 | 1,300,250  |
| Palm Beach County School Board<br>Certificates of Participation<br>Series D 5.00% 8/1/28 (FSA)                | 1,500,000 | 1,557,945  |
|   |           | <hr/>      |
|   |           | 6,020,935  |
|   |           | <hr/>      |
| Local General Obligation Bonds - 3.84%  |           |            |
| Julington Creek Plantation<br>Community Development<br>District Special Assessment<br>5.00% 5/1/29 (MBIA)     | 295,000   | 308,018    |
| Port St. Lucie 5.00% 7/1/35 (MBIA)  | 1,000,000 | 1,058,910  |
|   |           | <hr/>      |
|   |           | 1,366,928  |
|   |           | <hr/>      |
| \$ Pre-Refunded Bonds - 12.07%  |           |            |
| Florida State Board of Education<br>(Capital Outlay Public Education)<br>Series C 6.00% 6/1/21-10 (FGIC)      | 2,000,000 | 2,185,860  |
| Tampa Utility Tax Improvement<br>Series A<br>6.125% 10/1/19-09 (AMBAC)  | 1,000,000 | 1,082,530  |
| Village Center Community<br>Development District<br>Recreational Revenue Series A<br>5.85% 11/1/16-06 (MBIA)  | 1,000,000 | 1,021,940  |
|   |           | <hr/>      |
|   |           | 4,290,330  |
|   |           | <hr/>      |
| Special Tax Revenue Bonds - 28.84%  |           |            |
| Flagler County Capital<br>Improvements Revenue<br>5.00% 10/1/35 (MBIA)  | 1,000,000 | 1,054,330  |
| Florida State Department of<br>Transportation<br>5.00% 7/1/31 (FGIC)  | 1,525,000 | 1,595,562  |
| Jacksonville Sales Tax Revenue<br>5.00% 10/1/30 (MBIA)  | 1,500,000 | 1,571,715  |
| Jacksonville Transportation Revenue<br>5.25% 10/1/29 (MBIA)   | 2,000,000 | 2,118,900  |
| Miami Beach Resort Tax Revenue<br>5.50% 10/1/16 (AMBAC)   | 1,000,000 | 1,021,400  |
| { Miami-Dade County Special<br>Obligation (Capital<br>Appreciation & Income) Series B<br>5.00% 10/1/35 (MBIA) | 2,000,000 | 1,840,380  |
| Seminole County Sales Tax Revenue<br>5.00% 10/1/31 (MBIA)   | 1,000,000 | 1,051,430  |
|   |           | <hr/>      |
|   |           | 10,253,717 |
|   |           | <hr/>      |

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|  |           |           |
|--|-----------|-----------|
| State General Obligation Bonds - 5.93% |           |           |
| Florida State Board Education          |           |           |
| Public Education (Capital Outlay)      |           |           |
| Series C 5.00% 6/1/34 (AMBAC)          | 2,000,000 | 2,107,880 |
|  |           | <hr/>     |
|  |           | 2,107,880 |
|  |           | <hr/>     |

(continues) 7

Statements of net assets

Delaware Investments Florida Insured Municipal Income Fund

|                                       | Principal<br>Amount | Market<br>Value |
|---------------------------------------|---------------------|-----------------|
| <hr/>                                 |                     |                 |
| Municipal Bonds (continued)           |                     |                 |
| <hr/>                                 |                     |                 |
| Transportation Revenue Bonds - 18.28% |                     |                 |
| Dade County Aviation Revenue          |                     |                 |
| Series B 5.60% 10/1/26 (MBIA)         | \$ 1,000,000        | \$ 1,021,330    |
| Florida Ports Financing Commission    |                     |                 |
| State Transportation Trust Fund       |                     |                 |
| 5.375% 6/1/27 (MBIA) (AMT)            | 1,000,000           | 1,018,880       |
| Miami-Dade County Aviation            |                     |                 |
| Revenue (Miami International          |                     |                 |
| Airport) Series B                     |                     |                 |
| 5.00% 10/1/37 (FGIC)                  | 2,250,000           | 2,351,070       |
| Miami-Dade County Expressway          |                     |                 |
| Authority Toll Systems Revenue        |                     |                 |
| 5.00% 7/1/37 (AMBAC)                  | 1,000,000           | 1,058,090       |
| Series B 5.00% 7/1/33 (FGIC)          | 1,000,000           | 1,048,040       |
|                                       |                     | <hr/>           |
|                                       |                     | 6,497,410       |
|                                       |                     | <hr/>           |
| Water & Sewer Revenue Bonds - 15.41%  |                     |                 |
| JEA Water & Sewer Systems             |                     |                 |
| Revenue Sub-Second Crossover          |                     |                 |
| 5.00% 10/1/25 (MBIA)                  | 1,000,000           | 1,059,840       |
| Riviera Beach Utilities Special       |                     |                 |
| District Water & Sewer Revenue        |                     |                 |
| 5.00% 10/1/34 (FGIC)                  | 1,200,000           | 1,260,276       |
| Village Center Community              |                     |                 |
| Development District Utility          |                     |                 |
| Revenue 5.00% 10/1/36 (MBIA)          | 1,500,000           | 1,566,870       |
| Winter Haven Utilities Systems        |                     |                 |
| Revenue Refunding &                   |                     |                 |
| Improvement                           |                     |                 |
| 5.00% 10/1/30 (MBIA)                  | 1,500,000           | 1,590,945       |
|                                       |                     | <hr/>           |

|   |              |
|---|--------------|
|   | 5,477,931    |
|   | <hr/>        |
| Total Municipal Bonds (cost \$52,118,837)                             | 54,025,919   |
|   | <hr/>        |
| Total Market Value of Securities - 151.98%                            |              |
| (cost \$52,118,837)   | 54,025,919   |
| Receivables and Other Assets Net<br>of Liabilities - 4.28%            | 1,520,938    |
| Liquidation Value of Preferred Stock - (56.26%)                       | (20,000,000) |
|   | <hr/>        |
| Net Assets Applicable to 2,422,200 Shares<br>Outstanding - 100.00%    | \$35,546,857 |
|   | <hr/>        |
| Net Asset Value Per Common Share<br>(\$35,546,857 / 2,422,200 Shares) | \$14.68      |
|   | <hr/>        |

Components of Net Assets at September 30, 2006:

|  |              |
|--|--------------|
| Common stock, \$0.01 par value, unlimited shares<br>authorized to the Fund | \$33,361,389 |
| Undistributed net investment income  | 179,421      |
| Accumulated net realized gain on investments                               | 98,965       |
| Net unrealized appreciation of investments                                 | 1,907,082    |
|  | <hr/>        |
| Total net assets   | \$35,546,857 |
|  | <hr/>        |

\$ Pre-Refunded Bonds. Municipals that are generally backed or secured by U.S. Treasury bonds. For Pre-Refunded Bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 7 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.

Summary of Abbreviations:

AMBAC - Insured by the AMBAC Assurance Corporation  
 AMT - Subject to Alternative Minimum Tax  
 FGIC - Insured by the Financial Guaranty Insurance Company  
 FSA - Insured by Financial Security  
 HUD - Housing and Urban Development  
 MBIA - Insured by the Municipal Bond Insurance Association  
 VHA - Veterans Health Administration

See accompanying notes

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Delaware Investments Minnesota Municipal Income Fund II, Inc.

September 30, 2006 (Unaudited)

|   | Principal<br>Amount | Market<br>Value |
|---|---------------------|-----------------|
| <hr/>   |                     |                 |
| Municipal Bonds - 152.79%   |                     |                 |
| <hr/>   |                     |                 |
| Corporate-Backed Revenue Bonds - 6.66%  |                     |                 |
| Anoka County Solid Waste Disposal<br>National Rural Co-Op Utility<br>Revenue (United Power<br>Association) Series A<br>6.95% 12/1/08 (AMT)  | \$ 435,000          | \$ 448,224      |
| Cloquet Pollution Control Revenue<br>(Potlatch Corporation Project)<br>5.90% 10/1/26  | 5,500,000           | 5,648,500       |
| Laurentian Energy Authority I<br>Cogeneration Revenue Series A<br>5.00% 12/1/21   | 3,325,000           | 3,378,599       |
| Minneapolis Community Development<br>Agency (Supported Limited Tax<br>Common Bond Fund - Pajor<br>Graphics) Series A 6.75% 12/1/25<br>(LOC - US Bank NA) (AMT)  | 865,000             | 933,620         |
| Sartell Environmental Improvement<br>Revenue (International Paper)<br>Series A 5.20% 6/1/27   | 1,000,000           | 1,029,500       |
|   |                     | 11,438,443      |
| <hr/>   |                     |                 |
| Education Revenue Bonds - 8.63%   |                     |                 |
| Minneapolis Art Center Facilities<br>Revenue (Walker Art Center Project)<br>5.125% 7/1/21   | 4,250,000           | 4,446,860       |
| Minnesota State Higher Education<br>Facilities Authority Revenue<br>(Augsburg College) Series 6-J1<br>5.00% 5/1/28<br>(College of St. Benedict)<br>Series 5-W<br>5.00% 3/1/20<br>5.25% 3/1/24<br>(St. Catherine College) Series 5-N1<br>5.375% 10/1/32<br>(St. Mary's University) Series 5-U<br>4.80% 10/1/23<br>(St. Thomas University) Series 5-Y<br>5.00% 10/1/24<br>5.25% 10/1/34 | 750,000             | 771,060         |
|   | 2,000,000           | 2,068,120       |
|   | 300,000             | 313,695         |
|   | 1,500,000           | 1,576,845       |
|   | 1,400,000           | 1,425,914       |
|   | 1,000,000           | 1,048,020       |
|   | 1,500,000           | 1,593,570       |
| St. Cloud Housing & Redevelopment<br>Authority Revenue (State<br>University Foundation Project)   |                     |                 |

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|   |           |            |
|---|-----------|------------|
| 5.00% 5/1/23  | 1,000,000 | 1,046,290  |
| University of the Virgin Islands<br>Series A 5.375% 6/1/34  | 500,000   | 527,055    |
|   |           | <hr/>      |
|   |           | 14,817,429 |
|   |           | <hr/>      |
| Electric Revenue Bonds - 17.93%   |           |            |
| Chaska Electric Revenue (Generating<br>Facilities) Series A 5.25% 10/1/25   | 250,000   | 268,640    |
| Minnesota State Municipal Power<br>Agency Electric Revenue Series A<br>5.00% 10/1/34  | 6,500,000 | 6,712,030  |
| 5.25% 10/1/19   | 1,610,000 | 1,732,763  |
| Rochester Electric Utility Revenue<br>5.25% 12/1/30 (AMBAC)   | 600,000   | 631,116    |
| Southern Minnesota Municipal<br>Power Agency Supply System<br>Revenue Series A<br>5.25% 1/1/15 (AMBAC)  | 1,270,000 | 1,404,582  |
| 5.25% 1/1/16 (AMBAC)  | 1,500,000 | 1,668,915  |
| &Southern Minnesota Municipal<br>Power Agency Supply System<br>Revenue, Inverse Floater ROLs<br>Series II-R-189<br>7.251% 1/1/15 (AMBAC)                                    | 1,500,000 | 1,817,910  |
| Series II-R-189-3<br>6.636% 1/1/14 (AMBAC)  | 7,000,000 | 8,373,679  |
| Western Minnesota Municipal Power<br>Agency Supply Revenue<br>Series A 5.00% 1/1/30 (MBIA)  | 6,790,000 | 7,087,606  |
| Series B 5.00% 1/1/15 (MBIA)  | 1,000,000 | 1,088,360  |
|   |           | <hr/>      |
|   |           | 30,785,601 |
|   |           | <hr/>      |
| Escrowed to Maturity Bonds - 17.16%   |           |            |
| Dakota/Washington Counties<br>Housing & Redevelopment<br>Authority Bloomington<br>Mortgage Single Family<br>Residential Revenue<br>8.375% 9/1/21 (GNMA) (FHA)<br>(VA) (AMT) | 8,055,000 | 11,771,255 |
| Southern Minnesota Municipal<br>Power Agency Supply System<br>Revenue Series B<br>5.50% 1/1/15 (AMBAC)  | 390,000   | 413,544    |
| 5.75% 1/1/11 (FGIC)   | 1,000,000 | 1,005,050  |
| St. Paul Housing & Redevelopment<br>Authority Sales Tax<br>(Civic Center Project)<br>5.55% 11/1/23  | 2,300,000 | 2,386,066  |
| 5.55% 11/1/23 (MBIA)  | 4,200,000 | 4,357,164  |
| University of Minnesota Hospital &<br>Clinics 6.75% 12/1/16   | 2,580,000 | 3,123,219  |
| University of Minnesota Series A<br>5.50% 7/1/21  | 4,000,000 | 4,612,240  |
| Western Minnesota Municipal Power<br>Agency Supply Revenue Series A   |           |            |

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|               |           |            |
|---------------|-----------|------------|
| 6.625% 1/1/16 | 1,535,000 | 1,798,867  |
|               |           | <hr/>      |
|               |           | 29,467,405 |
|               |           | <hr/>      |

|  |           |           |
|--|-----------|-----------|
| Health Care Revenue Bonds - 20.31%   |           |           |
| Bemidji Hospital Facilities First Meeting<br>Revenue (North Country Health<br>Services) 5.00% 9/1/24 (RADIANT)                                   | 1,500,000 | 1,553,940 |
| Duluth Economic Development<br>Authority Health Care Facilities<br>Revenue (Benedictine Health<br>System - St. Mary's Hospital)<br>5.25% 2/15/33 | 5,000,000 | 5,207,449 |
| Glencoe Health Care Facilities<br>Revenue (Glencoe Regional<br>Health Services Project)<br>5.00% 4/1/25  | 2,000,000 | 2,063,600 |

(continues) 9

Statements of net assets

Delaware Investments Minnesota Municipal Income Fund II, Inc.

|  | Principal<br>Amount | Market<br>Value |
|--|---------------------|-----------------|
| <hr/>  |                     |                 |
| Municipal Bonds (continued)  |                     |                 |
| <hr/>  |                     |                 |
| Health Care Revenue Bonds (continued)  |                     |                 |
| Maple Grove Health Care Facilities<br>Revenue (North Memorial Health<br>Care) 5.00% 9/1/29   | \$1,515,000         | \$ 1,572,934    |
| Minneapolis Health Care System<br>Revenue<br>(Allina Health Systems) Series A<br>5.75% 11/15/32                                      | 3,200,000           | 3,445,312       |
| (Fairview Health Services) Series D<br>5.00% 11/15/30 (AMBAC)  | 1,500,000           | 1,582,560       |
| 5.00% 11/15/34 (AMBAC)   | 3,250,000           | 3,417,083       |
| Minnesota Agricultural & Economic<br>Development Board Revenue<br>(Fairview Health Care System)<br>Series A<br>5.75% 11/15/26 (MBIA) | 100,000             | 104,033         |
| 6.375% 11/15/29  | 195,000             | 211,624         |
| Northfield Hospital Revenue<br>5.375% 11/1/31  | 750,000             | 793,050         |
| Rochester Health Care Facilities Revenue<br>(Mayo Clinic) 5.00% 11/15/36<br>(Mayo Foundation) Series B                               | 2,000,000           | 2,095,660       |



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|   |  |  |
|---|--|--|
| 5.50% 11/15/27  | 4,365,000                                      | 4,524,714                                      |
| Shakopee Health Care Facilities<br>Revenue (St. Francis Regional<br>Medical Center) 5.25% 9/1/34  | 1,560,000                                      | 1,629,046                                      |
| St. Louis Park Health Care Facilities<br>Revenue (Park Nicollet Health<br>Services) Series B 5.25% 7/1/30   | 1,250,000                                      | 1,315,738                                      |
| St. Paul Housing & Redevelopment<br>Authority Health Care Facilities<br>Revenue<br>(Franciscan Health Project)<br>5.40% 11/20/42 (GNMA) (FHA)<br>(Regions Hospital Project)<br>5.30% 5/15/28  | 2,700,000<br>1,000,000                         | 2,845,260<br>1,017,850                         |
| Waconia Health Care Facilities<br>Revenue (Ridgeview Medical<br>Center Project) Series A<br>6.10% 1/1/19 (RADIAN)   | 1,405,000                                      | 1,501,692                                      |
|   |  | 34,881,545                                     |
| <br>Housing Revenue Bonds - 10.31%  |  |  |
| Chanhasen Multifamily Housing<br>Revenue (Heritage Park<br>Apartments Project-Section 8)<br>6.20% 7/1/30 (FHA) (AMT)  | 1,105,000                                      | 1,130,282                                      |
| Dakota County Housing &<br>Redevelopment Authority Single<br>Family Mortgage Revenue<br>Series B 5.85% 10/1/30<br>(GNMA) (FNMA) (AMT)   | 17,000   | 17,396   |
| Harmony Multifamily Housing<br>Revenue Section 8 (Zedakah<br>Foundation Project) Series A<br>5.95% 9/1/20   | 1,000,000                                      | 887,230  |
| Minneapolis Multifamily Housing<br>Revenue<br>(Gaar Scott Loft Project)<br>5.95% 5/1/30 (AMT)<br>(Olson Townhomes Project)<br>6.00% 12/1/19 (AMT)<br>(Seward Towers Project)<br>5.00% 5/20/36 (GNMA)<br>(Sumner Housing Project) Series A<br>5.15% 2/20/45 (GNMA) (AMT) | 955,000<br>930,000<br>2,000,000<br>3,575,000   | 994,929<br>930,186<br>2,086,840<br>3,660,549   |
| Minnesota State Housing Finance<br>Agency Rental Housing Revenue<br>Series A 5.00% 2/1/35 (AMT)<br>Series D 5.95% 2/1/18 (MBIA)   | 1,000,000<br>135,000                           | 1,017,020<br>136,006                           |
| Minnesota State Housing Finance<br>Agency Single Family Mortgage<br>Revenue<br>Series 1992-C2<br>6.15% 7/1/23 (AMT)<br>Series B 5.35% 1/1/33 (AMT)<br>Series I 5.15% 7/1/38 (AMT)<br>Series J 5.90% 7/1/28 (AMT)  | 920,000<br>1,780,000<br>1,000,000<br>1,090,000 | 924,407<br>1,831,335<br>1,031,040<br>1,124,095 |
| Southeastern Minnesota<br>Multi-County Housing &<br>Redevelopment Authority<br>Revenue (Winona County)  |  |  |

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|   |           |            |
|---|-----------|------------|
| 5.35% 1/1/28  | 1,170,000 | 1,172,106  |
| Washington County Housing & Redevelopment Authority Governmental Revenue (Woodland Park Apartments Project) 4.70% 10/1/32 | 750,000   | 756,203    |
|   |           | <hr/>      |
|   |           | 17,699,624 |
|   |           | <hr/>      |
| Lease Revenue Bonds - 10.41%  |           |            |
| Andover Economic Development Authority Public Facilities Lease Revenue (Andover Community Center)                         |           |            |
| 5.125% 2/1/24   | 500,000   | 524,895    |
| 5.20% 2/1/29  | 1,000,000 | 1,052,790  |
| Puerto Rico Public Buildings Authority Guaranteed Government Facilities Revenue Series D 5.25% 7/1/27                     | 530,000   | 557,189    |
| St. Paul Port Authority Lease Revenue (Cedar Street Office Building Project)  |           |            |
| 5.00% 12/1/22   | 2,385,000 | 2,523,521  |
| 5.125% 12/1/27  | 1,000,000 | 1,059,760  |
| 5.25% 12/1/27 (Robert Street Office Building Project)   | 4,800,000 | 5,099,375  |
| 5.00% 12/1/27 Series 9 5.25% 12/1/27  | 3,045,000 | 3,206,872  |
|   | 2,000,000 | 2,132,600  |

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|   | Principal Amount | Market Value |
|---|------------------|--------------|
| <hr/>   |                  |              |
| Municipal Bonds (continued)   |                  |              |
| <hr/>   |                  |              |
| Lease Revenue Bonds (continued)   |                  |              |
| Virginia Housing & Redevelopment Authority Health Care Facility Lease Revenue |                  |              |
| 5.25% 10/1/25   | \$ 680,000       | \$ 709,995   |
| 5.375% 10/1/30  | 965,000          | 1,015,634    |
|   |                  | <hr/>        |
|   |                  | 17,882,631   |
|   |                  | <hr/>        |
| Local General Obligation Bonds - 25.45%                                       |                  |              |
| Centennial Independent School District #012 Series A                          |                  |              |
| 5.00% 2/1/20 (FSA)  | 800,000          | 846,552      |
| Dakota County Community Development Agency Governmental Housing Series A      |                  |              |
| 5.00% 1/1/23  | 1,100,000        | 1,169,069    |
| Elk River Independent School  |                  |              |

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|  |           |            |
|--|-----------|------------|
| District #728 Series A<br>5.00% 2/1/16 (FGIC)  | 1,500,000 | 1,622,340  |
| Farmington Independent School<br>District #192<br>Series A 5.00% 2/1/23 (FSA)  | 2,280,000 | 2,400,840  |
| Series B 5.00%2/1/27 (FSA)   | 1,500,000 | 1,592,820  |
| Hennepin County Regional Railroad<br>Authority 5.00% 12/1/26   | 3,500,000 | 3,633,069  |
| Hennepin County Series B<br>5.00% 12/1/18  | 2,300,000 | 2,416,771  |
| Lakeville Independent School<br>District #194 Series A<br>4.75% 2/1/22 (FSA)   | 2,000,000 | 2,082,580  |
| Metropolitan Council Waste<br>Water Treatment Series B<br>5.00% 12/1/21  | 2,000,000 | 2,146,080  |
| Minneapolis Special School<br>District #001 5.00% 2/1/19 (FSA)   | 1,675,000 | 1,781,765  |
| Minneapolis Sports Arena Project<br>5.125% 10/1/20   | 750,000   | 765,458    |
| Minneapolis/St. Paul Metropolitan<br>Area Council Series C<br>5.00% 2/1/22   | 1,000,000 | 1,044,690  |
| Moorhead Economic Development<br>Authority Tax Increment Series A<br>5.25% 2/1/25 (MBIA)                               | 1,000,000 | 1,061,560  |
| Moorhead Series B<br>5.00% 2/1/33 (MBIA)   | 3,250,000 | 3,415,718  |
| Morris Independent School District<br>#769 5.00% 2/1/28 (MBIA)   | 3,750,000 | 4,009,462  |
| Mounds View Independent<br>School District #621 Series A<br>5.00% 2/1/23 (FSA)   | 2,020,000 | 2,129,120  |
| Princeton Independent School<br>District #477 Series A<br>5.00% 2/1/24 (FSA)   | 1,000,000 | 1,066,240  |
| Robbinsdale Independent School<br>District #281 5.00% 2/1/21 (FSA)   | 500,000   | 529,095    |
| St. Michael Independent School<br>District #885<br>5.00% 2/1/22 (FSA)  | 2,000,000 | 2,102,060  |
| 5.00% 2/1/24 (FSA)   | 1,125,000 | 1,182,409  |
| Washington County Housing &<br>Redevelopment Authority Series B<br>5.50% 2/1/22 (MBIA)                                 | 1,705,000 | 1,825,492  |
| 5.50% 2/1/32 (MBIA)  | 2,140,000 | 2,272,209  |
| Willmar (Rice Memorial Hospital<br>Project) 5.00% 2/1/32 (FSA)   | 2,500,000 | 2,610,875  |
|  |           | 43,706,274 |
| <br>\$ Pre-Refunded Bonds - 16.25%   |           |            |
| Chaska Electric Revenue Series A<br>6.00% 10/1/25-10   | 1,000,000 | 1,090,920  |
| Minneapolis Community<br>Development Agency (Limited Tax<br>Supported Common Bond Fund)<br>Series G-1 5.70% 12/1/19-11 | 1,100,000 | 1,198,714  |
| Series G-3 5.45% 12/1/31-11  | 1,000,000 | 1,086,300  |
| Minneapolis Health Care System<br>Revenue (Fairview Health Services)   |           |            |

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|   |           |            |
|---|-----------|------------|
| Series A 5.625% 5/15/32-12  | 2,750,000 | 3,050,823  |
| Minnesota Agricultural & Economic<br>Development Board Revenue<br>(Fairview Health Care System)<br>Series A               |           |            |
| 5.75% 11/15/26-07 (MBIA)  | 5,450,000 | 5,688,983  |
| 6.375% 11/15/29-10  | 6,105,000 | 6,801,824  |
| Puerto Rico Commonwealth  |           |            |
| 6.00% 7/1/26-07   | 1,000,000 | 1,034,210  |
| Puerto Rico Commonwealth<br>Highway & Transportation<br>Authority Revenue Series D  |           |            |
| 5.25% 7/1/38-12   | 1,000,000 | 1,087,470  |
| Puerto Rico Commonwealth<br>Public Improvement Series A   |           |            |
| 5.00% 7/1/27-12   | 1,250,000 | 1,343,200  |
| Puerto Rico Public Buildings<br>Authority Revenue (Guaranteed<br>Government Facilities) Series D                          |           |            |
| 5.25% 7/1/27-12   | 1,470,000 | 1,592,216  |
| Southern Minnesota Municipal<br>Power Agency Supply Revenue<br>Series A 5.75% 1/1/18-13                                   | 3,715,000 | 3,921,591  |
|   |           | <hr/>      |
|   |           | 27,896,251 |
|   |           | <hr/>      |
| Special Tax Revenue Bonds - 1.63%   |           |            |
| Minneapolis Community Development<br>Agency Revenue (Limited Tax<br>Supported Common Bond Fund)<br>Series 5 5.70% 12/1/27 | 375,000   | 380,160    |
| Minneapolis Development Revenue<br>(Limited Tax Supported Common<br>Bond Fund) 5.50% 12/1/24 (AMT)                        | 1,000,000 | 1,066,270  |

(continues) 11

Statements of net assets

Delaware Investments Minnesota Municipal Income Fund II, Inc.

|   | Principal<br>Amount | Market<br>Value |
|---|---------------------|-----------------|
| <hr/>   |                     |                 |
| Municipal Bonds (continued)   |                     |                 |
| <hr/>   |                     |                 |
| Special Tax Revenue Bonds (continued)   |                     |                 |
| Puerto Rico Commonwealth<br>Infrastructure Financing<br>Authority Special Tax Revenue<br>5.00% 7/1/46 | \$ 800,000          | \$ 824,176      |
| Virgin Islands Public Finance   |                     |                 |

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|   |           |               |
|---|-----------|---------------|
| Authority Revenue (Matching<br>Fund Loan Notes) 5.25% 10/1/23   | 500,000   | 529,280       |
|   |           | <hr/>         |
|   |           | 2,799,886     |
|   |           | <hr/>         |
| State General Obligation Bonds - 4.74%  |           |               |
| Minnesota State 5.00% 8/1/21  | 5,025,000 | 5,318,963     |
| & Minnesota State, Inverse Floater<br>ROs 6.196% 11/1/17  | 570,000   | 601,766       |
| Puerto Rico Commonwealth<br>Public Improvement Series A<br>5.50% 7/1/19 (MBIA)  | 1,000,000 | 1,156,800     |
| Puerto Rico Government<br>Development Bank Senior Notes<br>Series B 5.00% 12/1/14                                       | 1,000,000 | 1,070,870     |
|   |           | <hr/>         |
|   |           | 8,148,399     |
|   |           | <hr/>         |
| Transportation Revenue Bonds - 13.31%   |           |               |
| Minneapolis/St. Paul Metropolitan<br>Airports Commission Revenue  |           |               |
| Series A 5.00% 1/1/22 (MBIA)  | 3,000,000 | 3,151,680     |
| Series A 5.00% 1/1/28 (MBIA)  | 2,120,000 | 2,211,732     |
| Series A 5.00% 1/1/30 (AMBAC)   | 2,450,000 | 2,495,472     |
| Series A 5.00% 1/1/35 (AMBAC)   | 2,000,000 | 2,097,000     |
| Series A 5.125% 1/1/25 (FGIC)   | 900,000   | 930,987       |
| Series A 5.25% 1/1/16 (MBIA)  | 1,000,000 | 1,077,400     |
| Series B 5.25% 1/1/24 (FGIC)  | 1,000,000 | 1,040,070     |
| Series C 5.25% 1/1/32 (FGIC)  | 6,000,000 | 6,288,060     |
| St. Paul Housing & Redevelopment<br>Authority Parking Revenue<br>(Block 19 Ramp Project) Series A<br>5.35% 8/1/29 (FSA) | 3,350,000 | 3,563,965     |
|   |           | <hr/>         |
|   |           | 22,856,366    |
|   |           | <hr/>         |
| Total Municipal Bonds (cost \$249,678,634)  |           | 262,379,854   |
|   |           | <hr/>         |
| Total Market Value of Securities - 152.79%  |           |               |
| (cost \$249,678,634)  |           | \$262,379,854 |
| Receivables and Other Assets  |           |               |
| Net of Liabilities - 2.53%  |           | 4,338,761     |
| Liquidation Value of Preferred Stock - (55.32%)   |           | (95,000,000)  |
|   |           | <hr/>         |
| Net Assets Applicable to 11,504,975<br>Shares Outstanding - 100.00%   |           | \$171,718,615 |
|   |           | <hr/>         |
| Net Asset Value Per Common Share<br>(\$171,718,615 / 11,504,975 Shares)   |           | \$14.93       |
|   |           | <hr/>         |
| Components of Net Assets at September 30, 2006:   |           |               |
| Common stock, \$0.01 par value, 200 million shares<br>authorized to the Fund  |           | \$158,785,529 |

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|  |               |
|--|---------------|
| Undistributed net investment income          | 301,052       |
| Accumulated net realized loss on investments | (69,186)      |
| Net unrealized appreciation of investments   | 12,701,220    |
|  | <hr/>         |
| Total net assets                             | \$171,718,615 |
|  | <hr/>         |

& An inverse floater bond is a type of bond with variable or floating interest rates that move in the opposite direction of short-term interest rates. Interest rate disclosed is in effect as of September 30, 2006. See Note 7 in "Notes to Financial Statements."

\$ Pre-Refunded Bonds. Municipals that are generally backed or secured by U.S. Treasury bonds. For Pre-Refunded Bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 7 in "Notes to Financial Statements."

Summary of Abbreviations:

AMBAC - Insured by the AMBAC Assurance Corporation  
 AMT - Subject to Alternative Minimum Tax  
 FGIC - Insured by the Financial Guaranty Insurance Company  
 FHA - Insured by the Federal Housing Administration  
 FNMA - Insured by Federal National Mortgage Association  
 FSA - Insured by Financial Security Assurance  
 GNMA - Insured by Government National Mortgage Association  
 LOC - Letter of Credit  
 MBIA - Insured by the Municipal Bond Insurance Association  
 RADIAN - Insured by Radian Asset Assurance  
 ROLs - Residual Option Longs  
 VA - Insured by the Veterans Administration

See accompanying notes

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Statements of operations

Six Months Ended September 30, 2006 (Unaudited)

|             |              |
|-------------|--------------|
| Delaware    | Delaware     |
| Investments | Investment   |
| Arizona     | Colorado Ins |
| Municipal   | Municipal    |
| Income      | Income       |
| Fund, Inc.  | Fund, Inc.   |

Investment Income:

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|   |              |             |
|---|--------------|-------------|
| Interest  | \$ 1,628,412 | \$2,772,255 |
| Expenses:   |              |             |
| Management fees   | 137,259      | 226,565     |
| Remarketing agent fees  | 31,597       | 50,000      |
| Accounting and administration expenses                            | 13,763       | 22,718      |
| Dividend disbursing and transfer agent fees and expenses          | 9,960        | 13,983      |
| Audit and tax   | 9,047        | 10,150      |
| Rating agency fees  | 6,713        | 6,400       |
| Reports and statements to shareholders                            | 4,659        | 6,529       |
| Taxes (other than taxes on income)                                | 2,999        | 4,744       |
| Legal fees  | 2,617        | 4,679       |
| Directors'/Trustees' fees and benefits                            | 2,349        | 3,944       |
| Custodian fees  | 1,512        | 2,062       |
| Stock exchange fees   | 1,360        | 2,291       |
| Pricing fees  | 890          | 810         |
| Insurance fees  | 667          | 1,108       |
| Dues and services   | 417          | 475         |
| Registration fees   | 310          | 310         |
| Consulting fees   | 263          | 542         |
| Trustee expenses  | 102          | 185         |
| Other   | 4            | 5           |
|   |              |             |
|   | 226,488      | 357,500     |
| Less expense paid indirectly                                      | (1,493)      | (2,030)     |
|   |              |             |
| Total operating expenses  | 224,995      | 355,470     |
|   |              |             |
| Net Investment Income   | 1,403,417    | 2,416,785   |
|   |              |             |
| Net Realized and Unrealized Gain on Investments:                  |              |             |
| Net realized gain on investments                                  | 164,120      | 169,941     |
| Net change in unrealized appreciation/depreciation of investments | 446,071      | 635,466     |
|   |              |             |
| Net Realized and Unrealized Gain on Investments                   | 610,191      | 805,407     |
|   |              |             |
| Dividends on Preferred Stock                                      | (482,128)    | (703,768)   |
|   |              |             |
| Net Increase in Net Assets Resulting from Operations              | \$ 1,531,480 | \$2,518,424 |

See accompanying notes

Statements of changes in net assets

|   | Delaware Investments<br>Arizona Municipal<br>Income Fund, Inc. |                          |
|---|--|--------------------------|
|   | Six Months<br>Ended<br>9/30/06<br>(Unaudited)                  | Year<br>Ended<br>3/31/06 |
| Increase (Decrease) in Net Assets from Operations:                |  |                          |
| Net investment income   | \$ 1,403,417   | \$ 2,835,                |
| Net realized gain (loss) on investments                           | 164,120  | (34,                     |
| Net change in unrealized appreciation/depreciation of investments | 446,071  | (488,                    |
| Dividends on preferred stock                                      | (482,128)  | (701,                    |
|   | <hr/>  | <hr/>                    |
| Net increase in net assets resulting from operations              | 1,531,480  | 1,611,                   |
|   | <hr/>  | <hr/>                    |
| Dividends and Distributions to Common Shareholders from:          |  |                          |
| Net investment income   | (1,192,880)  | (2,564,                  |
| Net realized gain on investments                                  | -  | (59,                     |
|   | <hr/>  | <hr/>                    |
|   | (1,192,880)  | (2,624,                  |
|   | <hr/>  | <hr/>                    |
| Net Increase (Decrease) in Net Assets                             | 338,600  | (1,012,                  |
| Net Assets:   |  |                          |
| Beginning of period   | 43,923,349   | 44,935,                  |
|   | <hr/>  | <hr/>                    |
| End of period (1)   | \$44,261,949   | \$43,923,                |
|   | <hr/>  | <hr/>                    |
| (1) Undistributed net investment income                           | \$ 56,064  | \$ 330,                  |
|   | <hr/>  | <hr/>                    |

See accompanying notes



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|   | Delaware Investments<br>Florida Insured Municipi<br>Income Fund |                          |
|---|---|--------------------------|
|   | Six Months<br>Ended<br>9/30/06<br>(Unaudited)                   | Year<br>Ended<br>3/31/06 |
| Increase (Decrease) in Net Assets from Operations:                |   |                          |
| Net investment income   | \$ 1,188,429  | \$ 2,462,                |
| Net realized gain on investments                                  | 100,056   | 806,                     |
| Net change in unrealized appreciation/depreciation of investments | 305,691   | (1,379,                  |
| Dividends on preferred stock                                      | (384,138)   | (622,                    |
|   | <hr/>   | <hr/>                    |
| Net increase in net assets resulting from operations              | 1,210,038   | 1,266,                   |
|   | <hr/>   | <hr/>                    |
| Dividends and Distributions to Common Shareholders from:          |   |                          |
| Net investment income   | (1,065,768)   | (2,349,                  |
| Net realized gain on investments                                  | (89,621)  | (591,                    |
|   | <hr/>   | <hr/>                    |
|   | (1,155,389)   | (2,940,                  |
|   | <hr/>   | <hr/>                    |
| Capital Share Transactions:                                       |   |                          |
| Net assets from reorganization*                                   | -   | -                        |
|   | <hr/>   | <hr/>                    |
|   | -   | -                        |
|   | <hr/>   | <hr/>                    |
| Net Increase (Decrease) in Net Assets                             | 54,649  | (1,673,                  |
| Net Assets:   |   |                          |
| Beginning of period   | 35,492,208  | 37,166,                  |
|   | <hr/>   | <hr/>                    |
| End of period (1)   | \$35,546,857  | \$35,492,                |
|   | <hr/>   | <hr/>                    |
| (1) Undistributed net investment income                           | \$ 178,330  | \$ 422,                  |
|   | <hr/>   | <hr/>                    |

\*See Note 6 in "Notes to Financial Statements."

See accompanying notes

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Financial highlights

Delaware Investments Arizona Municipal Income Fund, Inc.

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

|   | Six Months<br>Ended<br>9/30/06 (1)<br>(Unaudited) | 3/31/06  | 3/31/05  |
|---|---|----------|----------|
| Net asset value, beginning of period                                | \$14.730  | \$15.070 | \$15.570 |
| Income (loss) from investment operations:                           |   |          |          |
| Net investment income   | 0.471   | 0.951    | 0.956    |
| Net realized and unrealized gain (loss) on investments              | 0.201   | (0.177)  | (0.332)  |
| Dividends on preferred stock from:                                  |   |          |          |
| Net investment income   | 0.162)  | (0.232)  | (0.118)  |
| Net realized gain on investments                                    | -   | (0.002)  | (0.003)  |
| Total dividends on preferred stock                                  | (0.162)   | (0.234)  | (0.121)  |
| Total from investment operations                                    | 0.510   | 0.540    | 0.503    |
| Less dividends and distributions to common shareholders from:       |   |          |          |
| Net investment income   | (0.400)   | (0.860)  | (0.960)  |
| Net realized gain on investments                                    | -   | (0.020)  | (0.043)  |
| Total dividends and distributions                                   | (0.400)   | (0.880)  | (1.003)  |
| Net asset value, end of period                                      | \$14.840  | \$14.730 | \$15.070 |
| Market value, end of period   | \$15.800  | \$15.980 | \$15.390 |
| Total investment return based on: (2)                               |   |          |          |
| Market value  | 1.47%   | 9.74%    | (0.78%)  |
| Net asset value   | 3.39%   | 3.31%    | 3.34%    |
| Ratios and supplemental data:                                       |   |          |          |
| Net assets applicable to common shares, end of period (000 omitted) | \$44,262  | \$43,923 | \$44,936 |
| Ratio of expenses to average net assets                             |   |          |          |

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|  |       |       |       |
|--|-------|-------|-------|
| applicable to common shares (3)                      | 1.03% | 1.03% | 1.18% |
| Ratio of net investment income to average net assets |       |       |       |
| applicable to common shares (3)                      | 6.42% | 6.28% | 6.34% |
| Ratio of net investment income to average net assets |       |       |       |
| applicable to common shares net of dividends         |       |       |       |
| to preferred shares (4)                              | 4.21% | 4.72% | 5.54% |
| Portfolio turnover                                   | 11%   | 2%    | 8%    |

Leverage analysis:

|   |           |           |           |
|---|-----------|-----------|-----------|
| Value of preferred shares outstanding (000 omitted) | \$25,000  | \$25,000  | \$25,000  |
| Net asset coverage per share of preferred shares,   |           |           |           |
| end of period                                       | \$138,524 | \$137,847 | \$139,872 |
| Liquidation value per share of preferred shares (5) | \$50,000  | \$50,000  | \$50,000  |

(1) Ratios and portfolio turnover have been annualized and total return has not been annualized.

(2) 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.

(3) Ratios do not reflect the effect of dividend payments to preferred shareholders.

(4) Ratio reflects total net investment income less dividends paid to preferred shareholders divided by average net assets applicable to common shareholders.

(5) Excluding any accumulated but unpaid dividends.

See accompanying notes

Delaware Investments Colorado Insured Municipal Income Fund, Inc.

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

|   | Six Months<br>Ended<br>9/30/06 (1)<br>(Unaudited) | 3/31/06  | 3/31/05  |
|---|---|----------|----------|
| Net asset value, beginning of period  | \$15.260  | \$15.580 | \$16.110 |
| Income (loss) from investment operations:   |   |          |          |
| Net investment income   | 0.500   | 1.018    | 1.019    |
| Net realized and unrealized gain (loss) on investments  | 0.165   | (0.129)  | (0.432)  |
| Dividends on preferred stock from:  |   |          |          |
| Net investment income   | (0.145)   | (0.213)  | (0.124)  |
| Net realized gain on investments  | -   | (0.006)  | (0.003)  |
| Total dividends on preferred stock  | (0.145)   | (0.219)  | (0.127)  |
| Total from investment operations  | 0.520   | 0.670    | 0.460    |
| Less dividends and distributions to common<br>shareholders from:  |   |          |          |
| Net investment income   | (0.440)   | (0.960)  | (0.960)  |
| Net realized gain on investments  | (0.040)   | (0.030)  | (0.030)  |
| Total dividends and distributions   | (0.480)   | (0.990)  | (0.990)  |
| Net asset value, end of period  | \$15.300  | \$15.260 | \$15.580 |
| Market value, end of period   | \$17.460  | \$18.650 | \$17.180 |
| Total investment return based on: (2)   |   |          |          |
| Market value  | (3.73%)   | 14.64%   | 7.42%    |
| Net asset value   | 3.10%   | 3.44%    | 2.56%    |
| Ratios and supplemental data:   |   |          |          |
| Net assets applicable to common shares,<br>end of period (000 omitted)  | \$74,029  | \$73,833 | \$75,364 |
| Ratio of expenses to average net assets<br>applicable to common shares (3)  | 0.97%   | 0.95%    | 1.03%    |
| Ratio of net investment income to average net assets<br>applicable to common shares (3)   | 6.58%   | 6.51%    | 6.51%    |
| Ratio of net investment income to average net assets<br>applicable to common shares net of dividends<br>to preferred shares (4) | 4.66%   | 5.11%    | 5.69%    |
| Portfolio turnover  | 6%  | 12%      | 5%       |

Leverage analysis:

|  |           |           |           |
|--|-----------|-----------|-----------|
| Value of preferred shares outstanding (000 omitted)                | \$40,000  | \$40,000  | \$40,000  |
| Net asset coverage per share of preferred shares,<br>end of period | \$142,537 | \$142,291 | \$144,205 |
| Liquidation value per share of preferred shares (5)                | \$50,000  | \$50,000  | \$50,000  |

- (1) Ratios and portfolio turnover have been annualized and total return has not been annualized.
- (2) 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.

- (3) Ratios do not reflect the effect of dividend payments to preferred shareholders.
- (4) Ratio reflects total net investment income less dividends paid to preferred shareholders divided by average net assets applicable to common shareholders.
- (5) Excluding any accumulated but unpaid dividends.

See accompanying notes

(continues) 17

Financial highlights

Delaware Investments Florida Insured Municipal Income Fund

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

Six Months  
Ended

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|   | 9/30/06 (1)<br>(Unaudited) | 3/31/06           | 3/31/05           |
|---|----------------------------|-------------------|-------------------|
| Net asset value, beginning of period  | \$14.650                   | \$15.340          | \$16.200          |
| Income (loss) from investment operations:   |                            |                   |                   |
| Net investment income   | 0.491                      | 1.017             | 1.057             |
| Net realized and unrealized gain (loss) on investments  | 0.175                      | (0.236)           | (0.675)           |
| Dividends on preferred stock from:  |                            |                   |                   |
| Net investment income   | (0.159)                    | (0.202)           | (0.114)           |
| Net realized gain on investments  | -                          | (0.055)           | (0.009)           |
|   | <u>          </u>          | <u>          </u> | <u>          </u> |
| Total dividends on preferred stock  | (0.159)                    | (0.257)           | (0.123)           |
|   | <u>          </u>          | <u>          </u> | <u>          </u> |
| Total from investment operations  | 0.507                      | 0.524             | 0.259             |
|   | <u>          </u>          | <u>          </u> | <u>          </u> |
| Less dividends and distributions to common shareholders from:   |                            |                   |                   |
| Net investment income   | (0.440)                    | (0.970)           | (1.020)           |
| Net realized gain on investments  | (0.037)                    | (0.244)           | (0.099)           |
|   | <u>          </u>          | <u>          </u> | <u>          </u> |
| Total dividends and distributions   | (0.477)                    | (1.214)           | (1.119)           |
|   | <u>          </u>          | <u>          </u> | <u>          </u> |
| Net asset value, end of period  | \$14.680                   | \$14.650          | \$15.340          |
|   | <u>          </u>          | <u>          </u> | <u>          </u> |
| Market value, end of period   | \$15.540                   | \$16.050          | \$15.050          |
|   | <u>          </u>          | <u>          </u> | <u>          </u> |
| Total investment return based on: (2)   |                            |                   |                   |
| Market value  | (0.20%)                    | 14.75%            | (3.02%)           |
| Net asset value   | 3.29%                      | 2.76%             | 1.59%             |
| Ratios and supplemental data:   |                            |                   |                   |
| Net assets applicable to common shares, end of period (000 omitted)   | \$35,547                   | \$35,492          | \$37,166          |
| Ratio of expenses to average net assets applicable to common shares (3)   | 1.06%                      | 1.07%             | 1.24%             |
| Ratio of net investment income to average net assets applicable to common shares (3)                                      | 6.75%                      | 6.70%             | 6.75%             |
| Ratio of net investment income to average net assets applicable to common shares net of dividends to preferred shares (4) | 4.57%                      | 5.01%             | 5.97%             |
| Portfolio turnover  | 9%                         | 28%               | 11%               |
| Leverage analysis:  |                            |                   |                   |
| Value of preferred shares outstanding (000 omitted)   | \$20,000                   | \$20,000          | \$20,000          |
| Net asset coverage per share of preferred shares, end of period   | \$138,867                  | \$138,731         | \$142,915         |

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|   |          |          |          |
|---|----------|----------|----------|
| Liquidation value per share of preferred shares (5) | \$50,000 | \$50,000 | \$50,000 |
|---|----------|----------|----------|

---

- (1) Ratios and portfolio turnover have been annualized and total return has not been annualized.
- (2) 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.
- (3) Ratios do not reflect the effect of dividend payments to preferred shareholders.
- (4) Ratio reflects total net investment income less dividends paid to preferred shareholders divided by average net assets applicable to common shareholders.
- (5) Excluding any accumulated but unpaid dividends.

See accompanying notes

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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>9/30/06 (1)<br>(Unaudited) | 3/31/06  | 3/31/05  |
|---|---|----------|----------|
| Net asset value, beginning of period      | \$14.730  | \$14.890 | \$15.280 |
| Income (loss) from investment operations: |   |          |          |

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|   |           |           |           |
|---|-----------|-----------|-----------|
| Net investment income   | 0.485     | 0.971     | 1.025     |
| Net realized and unrealized gain (loss) on investments  | 0.258     | 0.012     | (0.237)   |
| Dividends on preferred stock from:  |           |           |           |
| Net investment income   | (0.148)   | (0.243)   | (0.128)   |
|   | <hr/>     | <hr/>     | <hr/>     |
| Total dividends on preferred stock  | (0.148)   | (0.243)   | (0.128)   |
|   | <hr/>     | <hr/>     | <hr/>     |
| Total from investment operations  | 0.595     | 0.740     | 0.660     |
|   | <hr/>     | <hr/>     | <hr/>     |
| Less dividends to common shareholders from:   |           |           |           |
| Net investment income   | (0.395)   | (0.900)   | (1.050)   |
|   | <hr/>     | <hr/>     | <hr/>     |
| Total dividends   | (0.395)   | (0.900)   | (1.050)   |
|   | <hr/>     | <hr/>     | <hr/>     |
| Net asset value, end of period  | \$14.930  | \$14.730  | \$14.890  |
|   | <hr/>     | <hr/>     | <hr/>     |
| Market value, end of period   | \$15.510  | \$16.200  | \$16.370  |
|   | <hr/>     | <hr/>     | <hr/>     |
| Total investment return based on: (2)   |           |           |           |
| Market value  | (1.77%)   | 4.73%     | 4.02%     |
| Net asset value   | 3.99%     | 4.69%     | 4.03%     |
| Ratios and supplemental data:   |           |           |           |
| Net assets applicable to common shares,<br>end of period (000 omitted)  | \$171,719 | \$169,481 | \$107,958 |
| Ratio of expenses to average net assets<br>applicable to common shares (3)  | 0.98%     | 1.07%     | 1.00%     |
| Ratio of net investment income to average net assets<br>applicable to common shares (3)   | 6.61%     | 6.45%     | 6.85%     |
| Ratio of net investment income to average net assets<br>applicable to common shares net of dividends<br>to preferred shares (4) | 4.60%     | 4.86%     | 6.00%     |
| Portfolio turnover  | 4%        | 8%        | 15%       |
| Leverage analysis:  |           |           |           |
| Value of preferred shares outstanding (000 omitted)   | \$95,000  | \$95,000  | \$60,000  |
| Net asset coverage per share of preferred shares,<br>end of period  | \$140,378 | \$139,200 | \$139,965 |
| Liquidation value per share of preferred shares (5)   | \$50,000  | \$50,000  | \$50,000  |

(1) Ratios and portfolio turnover have been annualized and total return has not been annualized.

(2) 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.

- (3) Ratios do not reflect the effect of dividend payments to preferred shareholders.
- (4) Ratio reflects total net investment income less dividends paid to preferred shareholders divided by average net assets applicable to common shareholders.
- (5) Excluding any accumulated but unpaid dividends.

See accompanying notes

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Notes to financial statements

Delaware Investments Closed-End Municipal Bond Funds

September 30, 2006 (Unaudited)

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

The investment objective of each Fund is to provide high current income exempt from federal income tax and from the personal income tax of its state, if any, consistent with the preservation of capital. Florida Insured Municipal Fund will generally seek investments that will enable its shares to be exempt from Florida's intangible personal property tax. Each Fund will seek to achieve its investment objective by investing substantially all of its net assets in investment grade, tax-exempt municipal obligations of its respective state.

#### 1. Significant Accounting Policies

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

Security Valuation - Long-term debt securities are valued by an independent pricing service and such prices are believed to reflect the fair value of such securities. Short-term debt securities having less than 60 days to maturity are valued at amortized cost, which approximates market value. 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. 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, aftermarket trading or significant events after local market trading (e.g., government actions or pronouncements, trading volume or volatility on markets, exchanges among dealers, or news events).

In September 2006, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 157, Fair Value Measurements, (Statement 157). Statement 157 establishes a framework for measuring fair value in generally accepted accounting principles, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. Statement 157 is intended to increase consistency and comparability among fair value estimates used in financial reporting. Statement 157 is effective for fiscal years beginning after November 15, 2007. Management does not expect the adoption of Statement 157 to have an impact on the amounts reported in the financial statements.

Federal Income Taxes - Each Fund intends to continue to qualify for federal income tax purposes as a regulated investment company and make the requisite distributions to shareholders. Accordingly, no provision for federal income taxes has been made in the financial statements.

On July 13, 2006, the Financial Accounting Standards Board (FASB) released FASB Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" (FIN 48). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of 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 would be recorded as a tax benefit or expense in the current year. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006 and is to be applied to all open tax years as of the effective date. Although the Funds' tax positions are currently being evaluated, management does not expect the adoption of FIN 48 to have a material impact on the Funds' financial statements.

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

Other - Expenses directly attributable to a Fund are charged directly to that Fund. Other expenses common to various funds within the Delaware Investments(R) Family of Funds are generally allocated amongst such funds on the basis of average net assets. Management fees and some other expenses are paid monthly. Security transactions are recorded on the date the securities are purchased or sold (trade date) for financial reporting purposes. Costs used in calculating realized gains and losses on the sale of investment securities are those of the specific securities sold. Interest income is recorded on the accrual basis.

Discounts and premiums are amortized to interest income over the lives of the respective securities. Each Fund declares and pays dividends from net investment income monthly and distributions from net realized gain on investments, if any, at least annually. In addition, in order to satisfy certain distribution requirements of the Tax Reform Act of 1986, the Funds may declare special year-end dividend and capital gains distributions during November or December to shareholders of record on a date in such month. Such distributions, if received by shareholders by January 31, are deemed to have been paid by the Funds and received by shareholders on the earlier of the date paid or December 31 of the prior year.

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

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

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

Delaware Service Company, Inc. (DSC), an affiliate of DMC, provides accounting and administration services. Each Fund pays DSC a monthly fee computed at the annual rate of 0.04% of the Fund's average daily net assets for accounting and administration services.

At September 30, 2006, each Fund had liabilities payable to affiliates as follows:

|   | Arizona<br>Municipal<br>Fund | Colorado Insured<br>Municipal<br>Fund |
|---|------------------------------|---------------------------------------|
| Investment management fee payable to DMC                    | \$23,054                     | \$37,980                              |
| Accounting administration and other expenses payable to DSC | 3,915                        | 19,076                                |
| Other expenses payable to DMC and affiliates*               | 1,824                        | 2,750                                 |

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

As provided in the investment management agreement, each Fund bears the cost of certain legal and tax services, including internal legal and tax services provided to each Fund by DMC and/or its' affiliates employees. For the six months ended September 30, 2006, each Fund was charged for internal legal and

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tax services by DMC as follows:

| Arizona<br>Municipal<br>Fund | Colorado Insured<br>Municipal<br>Fund |
|------------------------------|---------------------------------------|
| \$927                        | \$1,555                               |

Directors/Trustees' Fees and Benefits include expenses accrued by the Funds for each Directors/Trustee's retainer, per meeting fees and retirement benefits. Independent Directors/Trustees with over five years of uninterrupted service are eligible to participate in a retirement plan that provides for the payment of benefits upon retirement. The amount of the retirement benefit is based on factors set forth in the plan including the number of years of service. On November 16, 2006, the Board of Directors/Trustees of the Fund unanimously voted to terminate the retirement plan. Payments equal to the net present value of the earned benefits will be made in 2007 to those independent directors/trustees and retired independent directors/trustees so entitled. The retirement benefit payout for the Arizona Municipal Fund, Colorado Insured Municipal Fund, Florida Insured Municipal Fund and Minnesota Municipal Fund II are \$5,506, \$9,218, \$4,431 and \$21,329, respectively. Certain officers of DMC and DSC are officers and/or directors/trustees of the Funds. These officers and directors/trustees are paid no compensation by the Funds.

3. Investments

For the six months ended September 30, 2006, the Funds made purchases and sales of investment securities other than short-term investments as follows:

|           | Arizona<br>Municipal<br>Fund | Colorado Insured<br>Municipal<br>Fund |
|-----------|------------------------------|---------------------------------------|
| Purchases | \$3,567,938                  | \$3,095,720                           |
| Sales     | 5,869,390                    | 6,545,283                             |

At September 30, 2006, the cost of investments for federal income tax purposes has been estimated since the final tax characteristics cannot be determined until fiscal year end. At September 30, 2006, the cost of investments and unrealized appreciation (depreciation) for each Fund were as follows:

|                                   | Arizona<br>Municipal<br>Fund | Colorado Insured<br>Municipal<br>Fund |
|-----------------------------------|------------------------------|---------------------------------------|
| Cost of investments               | \$66,014,565                 | \$107,088,420                         |
| Aggregate unrealized appreciation | \$ 3,261,863                 | \$ 6,054,728                          |
| Aggregate unrealized depreciation | (28,010)                     | -                                     |

|                             |              |              |
|-----------------------------|--------------|--------------|
| Net unrealized appreciation | \$ 3,233,853 | \$ 6,054,728 |
|-----------------------------|--------------|--------------|

(continues) 21

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. generally accepted accounting principles. Additionally, 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, 2006 and the year ended March 31, 2006 was as follows:

|                           | Arizona<br>Municipal<br>Fund | Colorado Insured<br>Municipal<br>Fund | F |
|---------------------------|------------------------------|---------------------------------------|---|
| Six Months Ended 9/30/06* |                              |                                       |   |
| Tax-exempt income         | \$1,675,008                  | \$2,788,545                           |   |
| Long-term capital gain    | -                            | 237,031                               |   |
|                           | <hr/>                        | <hr/>                                 |   |
| Total                     | \$1,675,008                  | \$3,025,576                           |   |
|                           | <hr/>                        | <hr/>                                 |   |
| Year Ended 3/31/06        |                              |                                       |   |
| Tax-exempt income         | \$3,261,410                  | \$5,673,140                           |   |
| Long-term capital gain    | 64,461                       | 174,385                               |   |
|                           | <hr/>                        | <hr/>                                 |   |
| Total                     | \$3,325,871                  | \$5,847,525                           |   |
|                           | <hr/>                        | <hr/>                                 |   |

\*Tax information for the six months ended September 30, 2006 is an estimate and the tax character may be redesignated at fiscal year end.

The components of net assets are estimated since final tax characteristics cannot be determined until fiscal year end. As of September 30, 2006, the estimated components of net assets on a tax basis were as follows:

|  | Arizona<br>Municipal<br>Fund | Colorado Insured<br>Municipal<br>Fund |
|--|------------------------------|---------------------------------------|
| Shares of beneficial interest            | \$40,838,893                 | \$67,238,110                          |
| Undistributed tax-exempt income          | 56,064                       | 566,699                               |
| Undistributed long-term capital gains    | -                            | 169,941                               |
| Realized gains 4/1/06 - 9/30/06          | 164,120                      | -                                     |
| Capital loss carryforwards as of 3/31/06 | (30,981)                     | -                                     |
| Unrealized appreciation of investments   | 3,233,853                    | 6,054,728                             |
| <b>Net assets</b>                        | <b>\$44,261,949</b>          | <b>\$74,029,478</b>                   |

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

For financial reporting purposes, capital accounts are adjusted to reflect the tax character of permanent book/tax differences. Reclassifications are primarily due to tax treatment of dividends and distributions and market discount on certain debt instruments. Results of operations and net assets were not affected by these reclassifications. For the six months ended September 30, 2006, the Funds recorded an estimate of these differences since the final tax characteristics cannot be determined until fiscal year end.

|  | Arizona<br>Municipal<br>Fund | Colorado Insured<br>Municipal<br>Fund |
|--|------------------------------|---------------------------------------|
| Undistributed (Accumulated) net investment income (loss) | \$(3,138)                    | 627                                   |
| Accumulated net realized gains (losses)                  | 3,138                        | (627)                                 |

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#### 4. Dividend and Distribution Information (continued)

For federal income tax purposes, capital loss carryforwards may be carried forward and applied against future capital gains. Capital loss carryforwards remaining at March 31, 2006 will expire as follows:

|      | Arizona<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II |
|------|------------------------------|-----------------------------------|
| 2008 | \$ -                         | \$339,543                         |
| 2009 | -                            | 175,804                           |
| 2010 | -                            | 8,416                             |

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|       |           |           |
|-------|-----------|-----------|
| 2013  | -         | 9,826     |
| 2014  | 30,981    | -         |
|       | <hr/>     | <hr/>     |
| Total | \$ 30,981 | \$533,589 |
|       | <hr/>     | <hr/>     |

For the six months ended September 30, 2006, each Fund had capital gains, which may reduce the capital losses carryforwards as follows:

|                              |                                   |
|------------------------------|-----------------------------------|
| Arizona<br>Municipal<br>Fund | Minnesota<br>Municipal<br>Fund II |
| <hr/>                        | <hr/>                             |
| \$164,120                    | \$138,091                         |

5. Capital Stock

Pursuant to their articles of incorporation, Arizona Municipal Fund, Colorado Insured Municipal Fund and Minnesota Municipal Fund II each have 200 million shares of \$0.01 par value common shares authorized. Florida Insured 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, 2006. Shares issuable under the Funds' dividend reinvestment plan are purchased by the Funds' transfer agent, Mellon Investor Services, LLC, in the open market.

For the six months ended September 30, 2006, the Funds did not have any transactions in common shares.

The Funds each have one million shares of \$0.01 par value preferred shares authorized, except for Florida Insured Municipal Fund, which has an unlimited amount of \$0.01 par value preferred shares authorized. On May 14, 1993, Arizona Municipal Fund and Florida Insured Municipal Fund issued 500 and 400 preferred shares, respectively. Also on that date, Minnesota Municipal Fund II issued 600 Series A and 600 Series B preferred shares. On September 23, 1993, Colorado Insured Municipal Fund issued 800 preferred shares. The preferred shares of each Fund have a liquidation preference of \$50,000 per share plus an amount equal to accumulated but unpaid dividends.

In connection with the reorganizations described in Note 6 on the next page, shareholders of Minnesota Municipal Fund II approved amendments to its charter to create two new series to absorb the preferred stock of Delaware Investments Minnesota Municipal Income Fund, Inc. ("Minnesota Municipal Fund") and Delaware Investments Minnesota Municipal Income Fund III, Inc. ("Minnesota Municipal Fund III"). These new series have identical rights and preferences (including liquidation rights) in all material respects to the preferred shares of Minnesota Municipal Fund and Minnesota Municipal Fund III, and are substantially similar to the Series A and B preferred shares of Minnesota Municipal Fund II with respect to their preferences, voting powers, restrictions, limitation as to dividends, qualifications, liquidation rights, and term and conditions of redemption.

Minnesota Municipal Fund II issued 400 Series C Preferred Shares to preferred shareholders of Minnesota Municipal Fund in exchange for that Fund's preferred shares and 300 Series D Preferred Shares to preferred shareholders of Minnesota Municipal Fund III in exchange for that Fund's preferred shares at the close of the reorganization on February 24, 2006.

Dividends for the outstanding preferred shares of each Fund are cumulative at a rate established at the initial public offering and are typically reset every 28

days based on the results of an auction. Dividend rates (adjusted for any capital gain distributions) ranged during the six months ended September 30, 2006 as follows:

| Fund                            | Low   |    | High  |
|---------------------------------|-------|----|-------|
| Arizona Municipal Fund          | 3.00% | to | 3.97% |
| Colorado Insured Municipal Fund | 3.05% | to | 4.00% |
| Florida Insured Municipal Fund  | 3.00% | to | 4.20% |
| Minnesota Municipal Fund II     | 3.21% | to | 3.95% |

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Notes to financial statements

Delaware Investments Closed-End Municipal Bond Funds

5. Capital Stock (continued)

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

Under the 1940 Act, the Funds may not declare dividends or make other distributions on common shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding preferred stock is less than 200%. The preferred shares are redeemable at the option of the Funds, in whole or in part, on any dividend payment date at \$50,000 per share plus any accumulated but unpaid dividends whether or not declared. The preferred shares are also subject to mandatory redemption at \$50,000 per share plus any accumulated but unpaid dividends whether or not declared, if certain requirements relating to the composition of the assets and liabilities of each Fund are not satisfied. The holders of preferred shares have voting rights equal to the holders of common shares (one vote per share) and will vote together with holders of common shares as a single class. However, holders of preferred shares are also entitled to elect two of each Fund's Directors. In addition, the 1940 Act requires that along with approval by shareholders that might otherwise be required, the approval of the holders of a majority of any outstanding preferred shares, voting separately as a class would be required to (a) adopt any plan of reorganization that would adversely affect the preferred shares, and (b) take any action requiring a vote of security holders pursuant to Section 13(a) of the 1940 Act, including, among other things, changes in each of the Fund's subclassification as a closed-end investment company or (c) changes in their fundamental investment restrictions.

6. Fund Reorganization

At the close of business on February 24, 2006, Minnesota Municipal Fund II acquired substantially all of the assets of Minnesota Municipal Fund and Minnesota Municipal Fund III, each pursuant to an Agreement and Plan of Acquisition (the "Reorganization"). The common shareholders of Minnesota Municipal Fund and Minnesota Municipal Fund III each received common shares of Minnesota Municipal Fund II equal to the aggregate net asset value of their



respective shares prior to the Reorganization. The preferred shares of Minnesota Municipal Fund and Minnesota Municipal Fund III received the same number of Series C and Series D preferred shares, respectively, of Minnesota Municipal Fund II as they held in their respective Funds prior to the Reorganization (see Note 5). The Reorganizations were treated as non-taxable events and, accordingly, Minnesota Municipal Fund II's basis in the securities acquired reflected the historical cost basis as of the date of transfer. The net assets, net unrealized appreciation and accumulated net realized gain (loss) of Minnesota Municipal Fund and Minnesota Municipal Fund III as of the close of business on February 24, 2006, were as follows:

|                              | Net Assets   | Net Unrealized<br>Appreciation | Accumulated Net<br>Realized Gain/Loss |
|------------------------------|--------------|--------------------------------|---------------------------------------|
|                              | <hr/>        | <hr/>                          | <hr/>                                 |
| Minnesota Municipal Fund     | \$38,077,404 | \$2,648,640                    | \$ 2,145                              |
| Minnesota Municipal Fund III | 25,566,621   | 1,999,455                      | (81,744)                              |

The net assets of Minnesota Municipal Fund II prior to the Reorganization were \$108,531,274. The combined net assets of Minnesota Municipal Fund II after the Reorganization were \$172,175,299.

Minnesota Municipal Fund II will continue to trade and to be listed on the American Stock Exchange. Beginning on February 27, 2006 and going forward, however, Minnesota Municipal Fund and Minnesota Municipal Fund III will no longer trade or be listed on the American Stock Exchange, and their corporate existence will be liquidated and dissolved. In January 2007, shareholders of Minnesota Municipal Fund and Minnesota Municipal Fund III will receive Form 1099-DIV that will report the amount and character of each Fund's distributions paid in calendar year 2006.

Common and preferred shares of Minnesota Municipal Fund II issued to shareholders of Minnesota Municipal Fund and Minnesota Municipal Fund III in connection with the Reorganization were as follows:

|                              | Common<br>Shares Issued | Exchange<br>Ratio | Preferred<br>Shares Issued | Exchange<br>Ratio |
|------------------------------|-------------------------|-------------------|----------------------------|-------------------|
|                              | <hr/>                   | <hr/>             | <hr/>                      | <hr/>             |
| Minnesota Municipal Fund     | 2,543,581               | 1.02 to 1         | 400                        | 1 to 1            |
| Minnesota Municipal Fund III | 1,709,194               | 1.08 to 1         | 300                        | 1 to 1            |

#### 7. Credit and Market Risk

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

The Funds concentrate their investments in securities issued by municipalities. The value of these investments may be adversely affected by new legislation within the states, regional or local economic conditions, and differing levels of supply and demand for municipal bonds. Many municipalities insure repayment for their obligations. Although bond insurance reduces the risk of loss due to default by an issuer, such bonds remain subject to the risk that market value may fluctuate for other reasons and there is no assurance that the insurance company will meet its obligations. These securities have been identified in the Statements of Net Assets.

7. Credit and Market Risk (continued)

The Funds may invest in inverse floating rate securities ("inverse floaters"), a type of derivative tax-exempt obligation 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 inverse floaters will generally be more volatile than other tax-exempt investments. Such securities are identified on the Statements of Net Assets.

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

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

Each Fund may invest up to 15% of its total 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 of Trustees/Directors has delegated to DMC the day-to-day functions of determining whether individual securities are liquid for purposes of each Fund's limitation on investments in illiquid assets. At September 30, 2006, there were no Rule 144A securities and no securities have been determined to be illiquid under each Fund's Liquidity Procedures.

8. Contractual Obligations

The Funds enter into contracts in the normal course of business that contain a

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

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#### Other Fund information

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

#### Changes to the Funds' Investment Policies

At a meeting on August 16-17, 2006, the Funds' Boards of Directors/Trustees approved the following changes and clarifications to the Funds' non-fundamental investment policies. The changes became effective on September 1, 2006.

Delaware Investments Arizona Municipal Income Fund, Inc. - The Fund may invest up to 20% of its net assets in municipal obligations issued by or on behalf of territories of the United States - such as Guam, the U.S. Virgin Islands or Puerto Rico - that are exempt from Arizona and federal income tax, subject to the Fund's fundamental investment policy to invest 80% of its net assets in Arizona municipal obligations.

The Fund may invest in the lowest tier of investment grade rated bonds (i.e., rated Baa by Moody's or BBB by S&P).

Delaware Investments Colorado Insured Municipal Income Fund, Inc. - The Fund may invest up to 20% of its net assets in municipal obligations issued by or on behalf of territories of the United States - such as Guam, the U.S. Virgin Islands or Puerto Rico - that are exempt from Colorado and federal income tax, subject to the Fund's fundamental investment policy to invest 80% of its net assets in Colorado municipal obligations.

Delaware Investments Florida Insured Municipal Income Fund - The Fund may invest up to 20% of its net assets in municipal obligations issued by or on behalf of territories of the United States - such as Guam, the U.S. Virgin Islands or Puerto Rico - that are exempt from federal income tax and Florida's intangible personal property tax, subject to the Fund's fundamental investment policy to invest 80% of its net assets in Florida municipal obligations.

Delaware Investments Minnesota Municipal Income Fund II, Inc. - The Fund may invest in municipal obligations issued by or on behalf of territories of the United States - such as Guam, the U.S. Virgin Islands or Puerto Rico - that are exempt from Minnesota and federal income tax to the extent that not more than 5% of the Fund's exempt interest dividends are derived from such obligations, subject to the Fund's fundamental investment policy to invest 80% of its net assets in Minnesota municipal obligations.

The Fund may invest in the lowest tier of investment grade rated bonds (i.e., rated Baa by Moody's or BBB by S&P).

#### Proxy Results

The shareholders of Delaware Investments Arizona Municipal Income Fund, Inc.,

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Delaware Investments Colorado Insured Municipal Income Fund, Inc., Delaware Investments Florida Insured Municipal Income Fund, and Delaware Investments Minnesota Municipal Income Fund II, Inc. (each, a "Fund") voted on the following proposals (as applicable) at the annual meeting of shareholders on August 16, 2006 (the "Annual Meeting"). The description of each proposal and number of shares voted are as follows:

1. To elect a Board of Directors for each Fund.

Delaware Investments Arizona Municipal Income Fund, Inc.

|                     | Common Shareholders |                                 | Preferred Shareholders |                                 |
|---------------------|---------------------|---------------------------------|------------------------|---------------------------------|
|                     | Shares Voted For    | Shares Voted Withheld Authority | Shares Voted For       | Shares Voted Withheld Authority |
| Patrick P. Coyne *  | 2,922,669           | 23,287                          |                        |                                 |
| Thomas L. Bennett   | 2,922,156           | 23,800                          |                        |                                 |
| John A. Fry         | 2,922,669           | 23,287                          |                        |                                 |
| Anthony D. Knerr    | 2,922,669           | 23,287                          |                        |                                 |
| Lucinda S. Landreth | 2,922,669           | 23,287                          |                        |                                 |
| Ann R. Leven        | 2,922,669           | 23,287                          |                        |                                 |
| Thomas F. Madison   |                     |                                 | 490                    |                                 |
| Janet L. Yeomans    |                     |                                 | 490                    |                                 |
| J. Richard Zecher   | 2,922,668.940       | 23,287.207                      |                        |                                 |

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Other Fund information

Delaware Investments Closed-End Municipal Bond Funds

Delaware Investments Colorado Insured Municipal Fund, Inc.

|                     | Common Shareholders |                                 | Preferred Shareholders |                                 |
|---------------------|---------------------|---------------------------------|------------------------|---------------------------------|
|                     | Shares Voted For    | Shares Voted Withheld Authority | Shares Voted For       | Shares Voted Withheld Authority |
| Patrick P. Coyne *  | 4,582,707           | 56,914                          |                        |                                 |
| Thomas L. Bennett   | 4,549,334           | 90,287                          |                        |                                 |
| John A. Fry         | 4,582,207           | 57,414                          |                        |                                 |
| Anthony D. Knerr    | 4,583,741           | 55,880                          |                        |                                 |
| Lucinda S. Landreth | 4,584,407           | 55,214                          |                        |                                 |
| Ann R. Leven        | 4,584,688           | 54,933                          |                        |                                 |
| Thomas F. Madison   |                     |                                 | 507                    |                                 |

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Janet L. Yeomans 507  
 J. Richard Zecher 4,584,157.162 55,463.585

Delaware Investments Florida Insured Municipal Fund

|                     | Common Shareholders |                                 | Preferred Shareholders |                                 |
|---------------------|---------------------|---------------------------------|------------------------|---------------------------------|
|                     | Shares Voted For    | Shares Voted Withheld Authority | Shares Voted For       | Shares Voted Withheld Authority |
| Patrick P. Coyne *  | 2,272,312           | 13,322                          |                        |                                 |
| Thomas L. Bennett   | 2,267,912           | 17,722                          |                        |                                 |
| John A. Fry         | 2,272,312           | 13,322                          |                        |                                 |
| Anthony D. Knerr    | 2,272,312           | 13,322                          |                        |                                 |
| Lucinda S. Landreth | 2,272,312           | 13,322                          |                        |                                 |
| Ann R. Leven        | 2,270,212           | 15,422                          |                        |                                 |
| Thomas F. Madison   |                     |                                 | 398                    |                                 |
| Janet L. Yeomans    |                     |                                 | 398                    |                                 |
| J. Richard Zecher   | 2,270,212           | 15,422                          |                        |                                 |

Delaware Investments Minnesota Municipal Income Fund II, Inc.

|                     | Common Shareholders |                                 | Preferred Shareholders |                                 |
|---------------------|---------------------|---------------------------------|------------------------|---------------------------------|
|                     | Shares Voted For    | Shares Voted Withheld Authority | Shares Voted For       | Shares Voted Withheld Authority |
| Patrick P. Coyne *  | 9,972,071           | 367,397                         |                        |                                 |
| Thomas L. Bennett   | 9,966,036           | 373,432                         |                        |                                 |
| John A. Fry         | 9,971,763           | 367,705                         |                        |                                 |
| Anthony D. Knerr    | 9,968,331           | 371,137                         |                        |                                 |
| Lucinda S. Landreth | 9,974,924           | 364,544                         |                        |                                 |
| Ann R. Leven        | 9,976,761           | 362,707                         |                        |                                 |
| Thomas F. Madison   |                     |                                 | 1,416                  |                                 |
| Janet L. Yeomans    |                     |                                 | 1,416                  |                                 |
| J. Richard Zecher   | 9,969,705           | 369,763                         |                        |                                 |

\*Subsequent to the mailing of the proxy materials for the Annual Meeting, Jude T. Driscoll, a Director/Trustee and one of the nominees for election to the Board of each Fund, resigned from the Board of each Fund, effective August 1, 2006. As a result, Mr. Driscoll withdrew from the election. At a regularly scheduled Board meeting on August 16, 2006, each Fund's Nominating Committee recommended that the applicable Fund's Board substitute Patrick P. Coyne for Mr. Driscoll as a nominee for election to the Board and each Board recommended naming Mr. Coyne as a substitute nominee for election to the Board.

As disclosed in the Proxy Statement, in the case of the withdrawal of a nominee for election, the power given by shareholders in the Proxy Card may be used by the persons named as proxies to vote for a substitute nominee or nominees as recommended by the existing Board. Accordingly, the proxies exercised their discretion to vote for the Mr. Coyne, the substitute nominee for election to each Board, at the Annual Meeting.

Other Fund information

Delaware Investments Closed-End Municipal Bond Funds

Board Consideration of Delaware Investments Closed-End Municipal Bond Funds  
Investment Advisory Agreement

At a meeting held on May 17-18, 2006 (the "Annual Meeting"), the Board of Trustees/Directors ("Trustees"), including a majority of disinterested or independent Trustees, approved the renewal of the Investment Advisory Agreements for the Delaware Investments Arizona Municipal Income Fund, Inc.; Delaware Investments Colorado Insured Municipal Income Fund, Inc.; Delaware Investments Florida Insured Municipal Income Fund; and Delaware Investments Minnesota Municipal Income Fund II, Inc. (each a "Fund" and collectively the "Funds"). In making its decision, the Board considered information furnished throughout the year at regular Board meetings, as well as information prepared specifically in connection with the Annual Meeting. Information furnished and discussed throughout the year included reports detailing Fund performance, investment strategies, expenses, compliance matters and other services provided by Delaware Management Company ("DMC"), the investment advisor. Information furnished specifically in connection with the Annual Meeting included materials provided by DMC and its affiliates ("Delaware Investments") concerning, among other things, the level of services provided to the Funds, the costs of such services to the Funds, economies of scale and the financial condition and profitability of Delaware Investments. In addition, in connection with the Annual Meeting, the Board considered independent historical and comparative reports prepared by Lipper Inc. ("Lipper"), an independent statistical compilation organization. The Board also considered industry comparative information presented by representatives from Lipper. The Lipper reports compared each Fund's investment performance and expenses with those of other comparable mutual funds. The Board also received certain supplemental information regarding management's policy with respect to advisory fee levels and its philosophy with respect to breakpoints; the structure of portfolio manager compensation; and any constraints or limitations on the availability of securities in certain investment styles which might inhibit DMC's ability to fully invest in accordance with Fund policies.

In considering such materials, the independent Trustees received assistance and advice from and met separately with independent counsel and representatives from Lipper. At the meeting with representatives from Lipper, Mr. Driscoll, then Chairman of the Delaware Investments Family of Funds, and Chairman and Chief Executive Officer of the investment advisor, was present to respond to questions by Lipper and the independent Trustees. While the Board considered the Investment Advisory Agreements for all of the funds in the Delaware Investments Family of Funds at the same Board meeting, information was provided and considered by the Board for each fund individually. In approving the continuance of the Investment Advisory Agreement for each Fund, the Board, including a majority of independent Trustees, determined that the existing advisory fee structure was fair and reasonable and that the continuance of the Investment Advisory Agreement was in the best interests of the Fund and its shareholders. While attention was given to all information furnished, the following discusses the primary factors relevant to the Board's deliberations and determination, including those relating to the selection of the investment advisor and the

approval of the advisory fee.

Nature, Extent and Quality Of Service. Consideration was given to the services provided by Delaware Investments to the Funds and their shareholders. In reviewing the nature, extent and quality of services, the Board emphasized reports furnished to it throughout the year at regular Board meetings covering matters such as the compliance of portfolio managers with the investment policies, strategies and restrictions for the Funds, the compliance of management personnel with the Code of Ethics adopted throughout the Delaware Investments Family of Funds complex, the adherence to fair value pricing procedures as established by the Board and the accuracy of net asset value calculations. The Board noted that it was pleased with the current staffing of the Funds' investment advisor during the past year, the emphasis on research and the compensation system for advisory personnel. Favorable consideration was given to DMC's efforts to maintain, and in some instances increase, financial and human resources committed to fund matters. Other factors taken into account by the Board were Delaware Investments' preparedness for, and response to, legal and regulatory matters. The Board was satisfied with the nature, extent and quality of the overall services provided by Delaware Investments.

Investment Performance. The Board considered the investment performance of DMC and the Funds. The Board was pleased by DMC's investment performance. The Board placed significant emphasis on the investment performance of the Funds in view of its importance to shareholders. While consideration was given to performance reports and discussions with portfolio managers at Board meetings throughout the year, particular weight was given 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 is ranked first, and a fund with the lowest is 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 the Fund was shown for the past one, three, five and 10 year periods ended January 31, 2006. The Board noted its objective that each Fund's performance for the periods considered be at or above the median of its Performance Universe. The following paragraph summarizes the performance results for the Funds and the Board's view of such performance.

Delaware Investments Arizona Municipal Income Fund, Inc. - The Performance Universe for the Fund consisted of the Fund and all leveraged closed-end other states municipal debt funds as selected by Lipper. The Lipper report comparison showed that the Fund's total return for the one and three year periods was in the fourth quartile of such Performance Universe. The report further showed that the Fund's total return for the five and 10 year periods was in the second quartile. The Board noted that the Fund's performance results were mixed, but on an overall basis tended toward median, which was acceptable.

Delaware Investments Colorado Insured Municipal Income Fund, Inc. - The Performance Universe for the Fund consisted of the Fund and all leveraged closed-end other states municipal debt funds as selected by Lipper. The Lipper report comparison showed that the Fund's total return for the one and three year periods was in the fourth quartile of such Performance Universe. The report further showed that the Fund's total return for the five and 10 year periods was in the second and first quartiles, respectively. The Board noted that the Fund's performance results were mixed, but on an overall basis tended toward median, which was acceptable.

Other Fund information

Delaware Investments Closed-End Municipal Bond Funds

Board Consideration of Delaware Investments Closed-End Municipal Bond Funds  
Investment Advisory Agreement (continued)

Delaware Investments Florida Insured Municipal Income Fund - The Performance Universe for the Fund consisted of the Fund and all leveraged closed-end Florida 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 such Performance Universe. The report further showed that the Fund's total return for the three and five year periods was in the fourth quartile and the Fund's total return for the 10 year period was in the second quartile. The Board noted that the Fund's performance results were not in line with the Board's objective. The Board also noted that the Performance Universe is not comprised solely of insured funds. Many of the funds (even certain of the insured funds) in the Performance Universe can maintain exposure to BBB rated bonds, which have significantly outperformed the AAA rated bonds that the Fund invests in. Based upon the Fund's investment restrictions and the composition of the Performance Universes, the Board was satisfied with the Fund's performance results.

Delaware Investments Minnesota Municipal Income Fund II, Inc. - The Performance Universe for the Fund consisted of the Fund and all leveraged closed-end Minnesota municipal debt funds as selected by Lipper. The Lipper report comparison showed that the Fund's total return for the one year period was ranked third of the three funds in the Performance Universe. The report further showed that the Fund's total return for the three year period ranked first of the three funds in the Performance Universe and the Fund's total return for the five and 10 year periods ranked first of the two funds in the Performance Universe. The Board noted that the Fund's performance results were mixed, but on an overall basis, tended toward median, which was acceptable.

Comparative Expenses. The Board considered expense comparison data for the Delaware Investments Family of Funds. Management provided the Board with information on pricing levels and fee structures for the Funds. The Board focused particularly on the comparative analysis of the management fees and total expense ratios of each Fund and the management fees and expense ratios of a group of similar leveraged closed-end funds as selected by Lipper (the "Expense Group"). In reviewing comparative costs, each Fund's contractual management fee and the actual management fee incurred by the Fund were compared with the contractual management fees (assuming all funds in the Expense Group were similar in size to the Fund) and actual management fees (as reported by each fund) of other funds within the Expense Group, taking into effect any applicable breakpoints and fee waivers. Each Fund's total expenses were also compared with those of its Expense Group. The Board also considered fees paid to Delaware Investments for non-management services. The Board noted its objective to limit each Fund's total expense ratio to an acceptable range as compared to the median of the Expense Group. The following paragraph summarizes the expense results for the Funds and the Board's view of such expenses.

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



Delaware Investments Colorado Insured Municipal Income Fund, Inc. - The expense comparisons for the Fund showed that its management fee was in the quartile with the second lowest expenses of its Expense Group and its total expenses were in the quartile with the lowest expenses of its Expense Group. The Board was satisfied with the management fees and total expenses of the Fund in comparison to its Expense Group as shown in the Lipper report.

Delaware Investments Florida Insured Municipal Income Fund - The expense comparisons for the Fund showed that its management fee was in the quartile with the lowest expenses of its Expense Group and its total expenses were in the quartile with the second lowest of its Expense Group. The Board was satisfied with the management fees and total expenses of the Fund in comparison to its Expense Group as shown in the Lipper report.

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

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, reflected operational cost savings and efficiencies initiated by Delaware Investments. The Board considered Delaware Investments' expenditures to improve services provided to fund shareholders and to meet additional regulatory and compliance requirements resulting from recent SEC initiatives. The Board also considered the extent to which Delaware Investments might derive ancillary benefits from fund operations, including the potential for procuring additional business as a result of the prestige and visibility associated with its role as service provider to the Delaware Investments Family of Funds, the benefits from allocation of fund brokerage to improve trading efficiencies and the use of "soft" commission dollars to pay for proprietary and non-proprietary research. The Board did not find that the level of profits realized by Delaware Investments from the relationships with the Funds and the Delaware Investments Family of Funds required negotiation of reduction fees.

Economies of Scale. As a closed-end fund, each Fund does not issue shares on a continuous basis. Fund assets increase only to the extent that the value 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 such economies of scale on to shareholders was not likely to provide the intended effect.

This semiannual report is for the information of Delaware Investments Closed-End Municipal Bond Funds shareholders. The return and principal value of an investment in each Fund will fluctuate so that shares, when resold, may be worth more or less than their original cost. Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Funds may, from time-to-time, purchase shares of their common stock on the open market at market prices.

Board of Trustees

Patrick P. Coyne

Chairman, President,  
and Chief Executive Officer  
Delaware Investments Family of Funds  
Philadelphia, PA

Thomas L. Bennett

Private Investor  
Rosemont, PA

John A. Fry

President  
Franklin & Marshall College  
Lancaster, PA

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Anthony Knerr & Associates  
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Strategic Financial Planning  
Consulting Firm  
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Vice President and Treasurer  
3M Corporation  
St. Paul, MN

J. Richard Zecher

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Founder  
Investor Analytics  
Scottsdale, AZ

### Affiliated Officers

David F. Connor

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

David P. O'Connor

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

John J. O'Connor

Senior Vice President and Treasurer  
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 for the first and third quarters of each fiscal year on Form N-Q. Each Fund's Form 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 is available without charge (i) upon request, by calling 800 523-1918; (ii) on each Fund's Web site at <http://www.delawareinvestments.com>; and (iii) on the Commission's Web site at <http://www.sec.gov>. Each Fund's Form N-Q may be reviewed and copied at the Commission's Public Reference Room in Washington, DC; information on the operation of the Public Reference Room may be obtained by calling 800 SEC-0330.

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

### Contact Information

Investment Manager

Delaware Management Company  
Philadelphia, PA

Principal Office of the Funds

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2005 Market Street  
Philadelphia, PA 19103-7057

Independent Registered Public  
Accounting Firm

Ernst & Young LLP  
2001 Market Street  
Philadelphia, PA 19103

Registrar and Stock Transfer  
Agent

Mellon Investor Services, LLC  
Overpeck Centre  
85 Challenger Road  
Ridgefield Park, NJ 07660  
800 851-9677

For Securities Dealers  
and Financial Institutions  
Representatives

800 362-7500

Web Site

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

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

Number of Recordholders as of

March 31, 2006:

|   |     |
|---|-----|
| Arizona Municipal Income Fund             | 83  |
| Colorado Insured Municipal<br>Income Fund | 161 |
| Florida Insured Municipal<br>Income Fund  | 143 |
| Minnesota Municipal Income<br>Fund II     | 769 |

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[DELAWARE INVESTMENTS LOGO]

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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. Schedule of Investments

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

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

Not applicable.

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

Not applicable.

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

Not applicable.

Item 11. Controls and Procedures

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

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

Item 12. Exhibits

- (a) (1) Code of Ethics

Not applicable.

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

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

Not applicable.

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

SIGNATURES

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

Name of Registrant:

Delaware Investments Colorado Insured Municipal Income Fund, Inc.

PATRICK P. COYNE

---

By: Patrick P. Coyne  
Title: Chief Executive Officer  
Date: November 29, 2006

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

PATRICK P. COYNE

---

By: Patrick P. Coyne  
Title: Chief Executive Officer

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Date: November 29, 2006

RICHARD SALUS

---

By: Richard Salus  
Title: Chief Financial Officer  
Date: November 29, 2006