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Delaware Investments National Municipal Income Fund  
Form N-CSR  
December 07, 2010

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: 811-07410

Exact name of registrant as specified in charter:  
Delaware Investments® National Municipal Income Fund

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, 2010

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Item 1. Reports to Stockholders

## Semiannual Report

Delaware  
Investments  
Closed-End  
Municipal Bond  
Funds

September 30, 2010

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

### Closed-end funds

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Unless otherwise noted, views expressed herein are current as of Sept. 30, 2010, and are subject to change. Holdings are as of the date indicated and subject to change.

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

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

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## Sector allocations

As of September 30, 2010

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

Delaware Investments

Arizona Municipal Income Fund, Inc.

Sector	Percentage of Net Assets
Municipal Bonds	99.96%
Corporate-Backed Revenue Bonds	6.20%
Education Revenue Bonds	12.55%
Electric Revenue Bonds	11.82%
Healthcare Revenue Bonds	21.38%
Housing Revenue Bonds	1.26%
Lease Revenue Bonds	6.48%
Local General Obligation Bonds	4.57%
Pre-Refunded/Escrowed to Maturity Bonds	5.42%
Special Tax Revenue Bonds	15.29%
State General Obligation Bond	0.85%
Transportation Revenue Bonds	6.01%
Water & Sewer Revenue Bonds	8.13%
Total Value of Securities	99.96%
Receivables and Other Assets Net of Liabilities	0.04%
Total Net Assets	100.00%

Delaware Investments

Minnesota Municipal Income Fund II, Inc.

Sector	Percentage of Net Assets
Municipal Bonds	98.24%
Corporate-Backed Revenue Bonds	5.94%
Education Revenue Bonds	8.44%
Electric Revenue Bonds	10.07%
Healthcare Revenue Bonds	18.26%
Housing Revenue Bonds	8.10%
Lease Revenue Bonds	6.28%
Local General Obligation Bonds	9.35%
Pre-Refunded/Escrowed to Maturity Bonds	20.34%
Special Tax Revenue Bonds	3.52%
State General Obligation Bonds	1.35%
Transportation Revenue Bonds	5.66%
Water & Sewer Revenue Bond	0.93%
Short-Term Investment	0.39%
Total Value of Securities	98.63%
Receivables and Other Assets Net of Liabilities	1.37%
Total Net Assets	100.00%

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Delaware Investments

Colorado Municipal Income Fund, Inc.

Sector	Percentage of Net Assets
Municipal Bonds	98.75%
Corporate-Backed Revenue Bonds	1.29%
Education Revenue Bonds	20.21%
Electric Revenue Bonds	6.17%
Healthcare Revenue Bonds	13.88%
Housing Revenue Bonds	2.74%
Lease Revenue Bonds	4.34%
Local General Obligation Bonds	8.40%
Pre-Refunded/Escrowed to Maturity Bonds	15.55%
Special Tax Revenue Bonds	11.05%
State General Obligation Bonds	5.59%
Transportation Revenue Bonds	2.17%
Water & Sewer Revenue Bonds	7.36%
Total Value of Securities	98.75%
Receivables and Other Assets Net of Liabilities	1.25%
Total Net Assets	100.00%

(continues) 1

## Sector/State allocations

Delaware Investments

National Municipal Income Fund

Sector	Percentage of Net Assets
Municipal Bonds	97.50%
Corporate-Backed Revenue Bonds	14.57%
Education Revenue Bonds	12.66%
Electric Revenue Bond	1.90%
Healthcare Revenue Bonds	18.43%
Housing Revenue Bonds	6.91%
Lease Revenue Bond	0.33%
Local General Obligation Bonds	1.71%
Special Tax Revenue Bonds	20.30%
State General Obligation Bonds	6.21%
Transportation Revenue Bonds	12.64%
Water & Sewer Revenue Bonds	1.84%
Total Value of Securities	97.50%
Receivables and Other Assets Net of Liabilities	2.50%
Total Net Assets	100.00%

State	(as a % of fixed income investments)
Alabama	1.44%
Arizona	1.94%
California	9.05%
Colorado	0.99%
Florida	25.72%
Georgia	3.09%
Hawaii	1.94%
Illinois	1.05%
Iowa	1.68%
Kansas	0.46%
Louisiana	0.80%
Maryland	3.21%
Massachusetts	2.01%
Michigan	0.51%
Missouri	1.63%
Montana	1.01%
New Hampshire	1.01%
New Jersey	0.70%
New Mexico	1.61%
New York	9.81%
Ohio	3.84%
Oregon	0.43%
Pennsylvania	11.22%
Puerto Rico	10.44%

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Texas	3.60%
Washington D.C.	0.81%
Total	100.00%

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## Statements of net assets

Delaware Investments Arizona Municipal Income Fund, Inc.  
September 30, 2010 (Unaudited)

	Principal Amount	Value
<b>Municipal Bonds – 99.96%</b>		
<b>Corporate-Backed Revenue Bonds – 6.20%</b>		
Maricopa County Pollution Control Revenue Refunding (Public Service - Palo Verde Project) Series B 5.20% 6/1/43	\$ 500,000	\$ 524,765
Navajo County Pollution Control Revenue (Arizona Public Services - Cholla) Series D 5.75% 6/1/34	500,000	541,670
Pima County Industrial Development Authority Pollution Control Revenue (Tucson Electric Power San Juan) 5.75% 9/1/29 Series A 4.95% 10/1/20 5.25% 10/1/40	250,000 500,000 400,000	259,763 535,010 404,344
Salt Verde Financial Gas Revenue Senior Note 5.00% 12/1/37	400,000	381,136
		2,646,688
<b>Education Revenue Bonds – 12.55%</b>		
Arizona Board of Regents System Revenue (University of Arizona) Series A 5.00% 6/1/39 Series 8-A 5.00% 6/1/18	500,000 150,000	530,465 178,986
Arizona Health Facilities Authority Healthcare Education Facilities Revenue (Kirksville College) 5.125% 1/1/30	500,000	514,625
Glendale Industrial Development Authority Revenue Refunding (Midwestern University) 5.00% 5/15/31 5.125% 5/15/40	350,000 300,000	365,687 310,233
Northern Arizona University Certificates of Participation (Northern Arizona University Research Project) 5.00% 9/1/30 (AMBAC)	1,000,000	1,014,100
Pima County Industrial Development Authority Educational Revenue Refunding (Tucson Country Day		



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School Project) 5.00% 6/1/37	500,000	423,895
South Campus Group Student Housing Revenue (Arizona State University South Campus Project) 5.625% 9/1/35 (NATL-RE)	1,000,000	1,016,060
University of Puerto Rico System Revenue Series Q 5.00% 6/1/36	1,000,000	999,930
		5,353,981
<b>Electric Revenue Bonds – 11.82%</b>		
Puerto Rico Electric Power Authority Revenue Series TT 5.00% 7/1/37	100,000	102,118
Series WW 5.50% 7/1/38	200,000	210,944
Series XX 5.25% 7/1/40	805,000	841,821
Series ZZ 5.25% 7/1/26	400,000	439,008
Salt River Project Agricultural Improvement & Power District Electric System Revenue Series A 5.00% 1/1/31	1,000,000	1,027,810
5.00% 1/1/39	1,000,000	1,078,020
Series B 5.00% 1/1/25	1,250,000	1,343,350
		5,043,071
<b>Healthcare Revenue Bonds – 21.38%</b>		
Arizona Health Facilities Authority Revenue (Banner Health) Series D 5.50% 1/1/21	500,000	556,090
(Catholic Healthcare West) Series D 5.00% 7/1/28	500,000	512,430
Glendale Industrial Development Authority Hospital Revenue Refunding (John C. Lincoln Health) 5.00% 12/1/42	1,000,000	947,940
Maricopa County Industrial Development Authority Health Facilities Revenue (Catholic Healthcare West) Series A 5.25% 7/1/32	400,000	413,276
6.00% 7/1/39	500,000	541,315
Scottsdale Industrial Development Authority Hospital Revenue Refunding (Scottsdale Healthcare) Series A 5.25% 9/1/30	500,000	509,310
Show Low Industrial Development Authority Hospital Revenue Refunding (Navapache Regional Medical Center) Series A 5.50% 12/1/17 (ACA)	1,600,000	1,601,984
University Medical Center Hospital Revenue		

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5.00% 7/1/33	1,000,000	978,640
5.00% 7/1/35	500,000	486,805
6.50% 7/1/39	500,000	546,660
Yavapai County Industrial Development Authority Revenue (Yavapai Regional Medical Center) Series A 5.25% 8/1/21 (RADIAN)		
	2,000,000	2,030,879
		9,125,329
Housing Revenue Bonds – 1.26%		
Phoenix Industrial Development Authority Single Family Mortgage Statewide Revenue Series A 5.35% 6/1/20 (GNMA) (FNMA) (FHLMC) (AMT)		
	305,000	305,326
Pima County Industrial Development Authority Single Family Mortgage Housing Revenue Series A-1 6.125% 11/1/33 (GNMA) (FNMA) (FHLMC) (AMT)		
	30,000	30,031

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## Statements of net assets

Delaware Investments Arizona Municipal Income Fund, Inc.

	Principal Amount	Value
<b>Municipal Bonds (continued)</b>		
<b>Housing Revenue Bonds (continued)</b>		
Puerto Rico Housing Finance Authority Subordinate-Capital Foundation Modernization 5.50% 12/1/18	\$ 175,000	\$ 200,503
		535,860
<b>Lease Revenue Bonds – 6.48%</b>		
Arizona Certificates of Participation Department Administration Series A 5.25% 10/1/25 (AGM)	500,000	552,030
Arizona Game & Fishing Department & Commission Beneficial Interest Certificates (AGF Administration Building Project) 5.00% 7/1/26	640,000	669,715
Nogales Development Authority Municipal Facilities Revenue 5.00% 6/1/30 (AMBAC)	500,000	484,450
Pima County Industrial Development Authority Lease Revenue Metro Police Facility (Nevada Project) Series A 5.25% 7/1/31 5.375% 7/1/39	500,000 500,000	531,310 526,705
		2,764,210
<b>Local General Obligation Bonds – 4.57%</b>		
Gila County Unified School District #10 (Payson School Improvement Project of 2006) Series A 5.25% 7/1/27 (AMBAC)	500,000	544,035
Maricopa County School District #6 (Washington Elementary) Refunding Series A 5.375% 7/1/13 (AGM)	1,250,000	1,404,838
		1,948,873
<b>§Pre-Refunded/Escrowed to Maturity Bonds – 5.42%</b>		
Puerto Rico Commonwealth Public Improvement Revenue Series A 5.125% 7/1/31-11	250,000	259,150
Southern Arizona Capital Facilities Finance (University of Arizona Project) 5.00% 9/1/23-12 (NATL-RE)	1,000,000	1,087,280
University of Arizona Certificates of Participation (University of Arizona Project) Series B		

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5.125% 6/1/22-12 (AMBAC)	500,000	537,940
Virgin Islands Public Finance		
Authority Revenue (Gross Receipts Tax Loan Note) Series A		
6.125% 10/1/29-10 (ACA)	425,000	429,318
		2,313,688
Special Tax Revenue Bonds – 15.29%		
Flagstaff Aspen Place Sawmill		
Improvement District Revenue		
5.00% 1/1/32	385,000	385,239
Gilbert Public Facilities Municipal		
Property Revenue 5.00% 7/1/25	500,000	550,550
Glendale Municipal Property Series A		
5.00% 7/1/33 (AMBAC)	2,000,000	2,058,099
Marana Tangerine Farm Road		
Improvement District Revenue		
4.60% 1/1/26	924,000	924,869
Peoria Municipal Development		
Authority Sales Tax & Excise Shared Revenue (Senior Lien & Subordinate Lien) 5.00% 1/1/18	1,085,000	1,268,180
Puerto Rico Sales Tax Financing		
Revenue First Subordinate Series C 6.00% 8/1/39	300,000	335,934
Queen Creek Improvement District #1		
5.00% 1/1/32	1,000,000	1,002,340
		6,525,211
State General Obligation Bond – 0.85%		
Puerto Rico Commonwealth Refunding		
(Public Improvement) Series C		
6.00% 7/1/39	335,000	363,177
		363,177
Transportation Revenue Bonds – 6.01%		
Phoenix Civic Improvement		
Airport Revenue		
Junior Lien Series A 5.25% 7/1/33 (Senior Lien) Series B 5.25% 7/1/27 (NATL-RE) (FGIC) (AMT)	500,000	535,420
	2,000,000	2,028,060
		2,563,480
Water & Sewer Revenue Bonds – 8.13%		
Phoenix Civic Improvement		
Wastewater Systems Revenue		
Junior Lien 5.00% 7/1/19 (NATL-RE) Refunding 5.00% 7/1/24 (NATL-RE) (FGIC)	850,000	982,685
	1,000,000	1,027,000
Phoenix Civic Improvement Water		
Systems Revenue Junior Lien Series A 5.00% 7/1/39	900,000	969,651
Scottsdale Water & Sewer Revenue		
Refunding 5.00% 7/1/19	400,000	491,036
		3,470,372

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Total Municipal Bonds		
	(cost \$41,053,486)	42,653,940
Total Value of Securities – 99.96%		
	(cost \$41,053,486)	42,653,940
Receivables and Other Assets		
	Net of Liabilities – 0.04%	18,942
Net Assets Applicable to 2,982,200		
	Shares Outstanding; Equivalent to	
	\$14.31 Per Share – 100.00%	\$42,672,882

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### Components of Net Assets at September 30, 2010:

Common stock, \$0.01 par value, 200 million shares authorized to the Fund	\$ 40,651,205
Undistributed net investment income	380,050
Accumulated net realized gain on investments	41,173
Net unrealized appreciation of investments	1,600,454
Total net assets	\$ 42,672,882

§Pre-Refunded bonds. Municipal bonds that are generally backed or secured by U.S. Treasury bonds. For Pre-Refunded bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 9 in "Notes to financial statements."

Variable rate security. The rate shown is the rate as of September 30, 2010. Interest rates reset periodically.

### Summary of Abbreviations:

ACA — Insured by American Capital Access

AGM — Insured by Assured Guaranty Municipal Corporation

AMBAC — Insured by AMBAC Assurance Corporation

AMT — Subject to Alternative Minimum Tax

FGIC — Insured by Financial Guaranty Insurance Company

FHLMC — Federal Home Loan Mortgage Corporation Collateral

FNMA — Federal National Mortgage Association Collateral

GNMA — Government National Mortgage Association Collateral

NATL-RE — Insured by the National Public Finance Guarantee Corporation

RADIAN — Insured by Radian Asset Assurance

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

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## Statements of net assets

Delaware Investments Colorado Municipal Income Fund, Inc.

September 30, 2010 (Unaudited)

	Principal Amount	Value
<b>Municipal Bonds – 98.75%</b>		
<b>Corporate-Backed Revenue Bond – 1.29%</b>		
Public Authority for Colorado Energy National Gas Purpose Revenue Series 2008 6.50% 11/15/38	\$ 750,000	\$ 902,048
		902,048
<b>Education Revenue Bonds – 20.21%</b>		
Boulder County Development Revenue Refunding (University Corporation for Atmospheric Research) 5.00% 9/1/26 (NATL-RE)	3,000,000	3,030,779
Colorado Board of Governors Revenue (University Enterprise System) Series A 5.00% 3/1/39	700,000	747,789
Colorado Educational & Cultural Facilities Authority Revenue (Bromley Charter School Project) Refunding 5.25% 9/15/32 (XLCA) (Johnson & Wales University Project) Series A 5.00% 4/1/28 (XLCA) (Littleton Charter School Project) Refunding 4.375% 1/15/36 (CIFG) Student Housing (Campus Village Apartments) Refunding 5.00% 6/1/23 Student Housing (University of Northern Colorado) Series A 5.00% 7/1/31 (NATL-RE)	1,000,000 3,000,000 1,200,000 2,500,000	1,018,960 3,001,740 1,074,708 2,501,725
University of Colorado Enterprise Systems Revenue Series A 5.375% 6/1/38	750,000	825,743
Western State College 5.00% 5/15/34	750,000	793,560
		14,131,572
<b>Electric Revenue Bonds – 6.17%</b>		
Platte River Power Authority Revenue Series HH 5.00% 6/1/28	1,500,000	1,689,030
Puerto Rico Electric Power Authority Revenue Series TT 5.00% 7/1/37 Series WW 5.50% 7/1/38	685,000 300,000	699,508 316,416

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Series XX 5.25% 7/1/40	750,000	784,305
Series ZZ 5.25% 7/1/26	750,000	823,140
		4,312,399
<b>Healthcare Revenue Bonds – 13.88%</b>		
Aurora Hospital Revenue (Children’s Hospital Association Project) Series A 5.00% 12/1/40	500,000	510,735
Colorado Health Facilities Authority Revenue (Catholic Health Initiatives) Series A 5.00% 7/1/39	750,000	784,013
Series D 6.125% 10/1/28 (Evangelical Lutheran) 5.25% 6/1/23	750,000	862,658
Series A 6.125% 6/1/38	1,000,000	1,040,849
Colorado Health Facilities Authority Revenue (continued) (Porter Place) Series A 6.00% 1/20/36 (GNMA) (Total Long-Term Care National) Series A 6.00% 11/15/30	2,515,000	2,538,640
	400,000	402,984
Colorado Springs Hospital Revenue Refunding 6.25% 12/15/33	750,000	821,340
Denver Health & Hospital Authority Healthcare Revenue 5.625% 12/1/40	750,000	761,835
University of Colorado Hospital Authority Revenue Series A 5.00% 11/15/37	500,000	502,405
6.00% 11/15/29	650,000	706,050
		9,704,099
<b>Housing Revenue Bonds – 2.74%</b>		
Colorado Housing & Finance Authority (Single Family Mortgage – Class I) Series A 5.50% 11/1/29 (FHA) (VA) (HUD)	500,000	532,695
Puerto Rico Housing Finance Authority Subordinate-Capital Foundation Modernization 5.125% 12/1/27	1,000,000	1,039,150
5.50% 12/1/18	300,000	343,719
		1,915,564
<b>Lease Revenue Bonds – 4.34%</b>		
Aurora Certificates of Participation Refunding Series A 5.00% 12/1/30	630,000	682,454
Glendale Certificates of Participation 5.00% 12/1/25 (XLCA)	1,500,000	1,584,150
Puerto Rico Public Buildings Authority Revenue Refunding (Guaranteed Government Facilities) Series M-2 5.50% 7/1/35 (AMBAC)	700,000	768,061
		3,034,665



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### Local General Obligation Bonds – 8.40%

Adams & Arapahoe Counties		
Joint School District #28J (Aurora)		
6.00% 12/1/28	600,000	715,386
Arapahoe County Water &		
Wastewater Public Improvement		
District Refunding Series A		
5.125% 12/1/32 (NATL-RE)	5,000	642,944
Boulder Larimer & Weld Counties		
Vrain Valley School District Re-1J		
5.00% 12/15/33	750,000	802,268
Bowles Metropolitan District Refunding		
5.00% 12/1/33 (AGM)	2,000,000	2,038,279
Denver City & County School District #1		
Series A 5.00% 12/1/29	240,000	269,090

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	Principal Amount	Value
<b>Municipal Bonds (continued)</b>		
<b>Local General Obligation Bonds (continued)</b>		
Jefferson County School District #R-001		
Refunding 5.25% 12/15/24	\$ 750,000	\$ 932,768
Sand Creek Metropolitan District		
Refunding & Improvement		
5.00% 12/1/31 (XLCA)	500,000	470,410
		5,871,145
<b>§Pre-Refunded/Escrowed to Maturity Bonds – 15.55%</b>		
Colorado Educational & Cultural		
Facilities Authority		
(University of Colorado		
Foundation Project)		
5.00% 7/1/27-12 (AMBAC)	4,000,000	4,295,080
(University of Denver Project)		
Refunding & Improvement Series B		
5.25% 3/1/35-16 (FGIC)	1,000,000	1,205,350
Denver Convention Center Hotel		
Authority Revenue Refunding Senior		
Series A 5.00% 12/1/33-13 (XLCA)	3,000,000	3,360,510
Northwest Parkway Public Highway		
Authority Senior Series A		
5.25% 6/15/41-11 (AGM)	350,000	367,980
Westminster Building Authority		
Certificates of Participation		
5.25% 12/1/22-11 (NATL-RE)	1,555,000	1,642,920
		10,871,840
<b>Special Tax Revenue Bonds – 11.05%</b>		
Denver Convention Center Hotel		
Authority Revenue Refunding		
5.00% 12/1/35 (XLCA)	1,575,000	1,432,368
Puerto Rico Commonwealth Highway		
& Transportation Authority Revenue		
Series K 5.00% 7/1/30	750,000	764,228
Puerto Rico Sales Tax Financing		
Revenue First Subordinate		
Series B 5.75% 8/1/37	590,000	638,769
Series C 6.00% 8/1/39	500,000	559,890
Regional Transportation District Sales		
Tax Revenue (Fastracks Project)		
Series A		
4.375% 11/1/31 (AMBAC)	1,250,000	1,274,050
4.50% 11/1/36 (AGM)	3,000,000	3,059,189
		7,728,494

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<b>State General Obligation Bonds – 5.59%</b>		
Guam Government		
Series A 7.00% 11/15/39	750,000	838,770
<b>Puerto Rico Commonwealth</b>		
Refunding (Public Improvement)		
Series A 5.50% 7/1/19 (NATL-RE)	2,250,000	2,519,235
Series C 6.00% 7/1/39	505,000	547,476
<b>3,905,481</b>		
<b>Transportation Revenue Bonds – 2.17%</b>		
Denver City & County Airport Revenue		
System Series A 5.25% 11/15/36	750,000	800,933
<b>Regional Transportation District</b>		
Colorado Private Activity Revenue (Denver Transportation Partners)		
6.00% 1/15/41	675,000	717,566
<b>1,518,499</b>		
<b>Water &amp; Sewer Revenue Bonds – 7.36%</b>		
Colorado Springs Utilities Revenue		
Systems Improvement Revenue		
Series C 5.50% 11/15/48	750,000	811,020
<b>Colorado Water Resources &amp; Power</b>		
Development Authority Small Water Revenue		
Un-Refunded Balance Series A		
5.80% 11/1/20 (FGIC) (NATL-RE)	780,000	781,154
<b>Colorado Water Resources &amp; Power</b>		
Development Authority Water Resources Revenue (Parker Water & Sanitation District)		
Series D		
5.125% 9/1/34 (NATL-RE)	1,500,000	1,524,390
5.25% 9/1/43 (NATL-RE)	2,000,000	2,032,800
<b>5,149,364</b>		
<b>Total Municipal Bonds</b>		
(cost \$65,759,533)		69,045,170
<b>Total Value of Securities – 98.75%</b>		
(cost \$65,759,533)		69,045,170
<b>Receivables and Other Assets</b>		
Net of Liabilities – 1.25%		875,606
<b>Net Assets Applicable to 4,837,100</b>		
Shares Outstanding; Equivalent to \$14.46 Per Share – 100.00%		\$ 69,920,776
<b>Components of Net Assets at September 30, 2010:</b>		
Common stock, \$0.01 par value,		
200 million shares authorized to the Fund	\$	66,918,121
<b>Undistributed net investment income</b>		
		262,136
<b>Accumulated net realized loss on investments</b>		
		(545,118)
<b>Net unrealized appreciation of investments</b>		
		3,285,637

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Total net assets \$ 69,920,776

§Pre-Refunded bonds. Municipal bonds that are generally backed or secured by U.S. Treasury bonds. For Pre-Refunded bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 9 in "Notes to financial statements."

Variable rate security. The rate shown is the rate as of September 30, 2010. Interest rates reset periodically.

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## Statements of net assets

Delaware Investments Colorado Municipal Income Fund, Inc.

### Summary of Abbreviations:

AGM — Insured by Assured Guaranty Municipal Corporation  
AMBAC — Insured by AMBAC Assurance Corporation  
CIFG — Insured by CDC IXIS Financial Guaranty  
FGIC — Insured by Financial Guaranty Insurance Company  
FHA — Insured by Federal Housing Administration  
GNMA — Government National Mortgage Association Collateral  
HUD — Housing and Urban Development Section 8  
NATL-RE — Insured by National Public Finance Guarantee Corporation  
XLCA — Insured by XL Capital Assurance  
VA — Veterans Administration Collateral

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

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## Edgar Filing: Delaware Investments National Municipal Income Fund - Form N-CSR

Delaware Investments Minnesota Municipal Income Fund II, Inc.  
September 30, 2010 (Unaudited)

	Principal Amount	Value
<b>Municipal Bonds – 98.24%</b>		
<b>Corporate-Backed Revenue Bonds – 5.94%</b>		
Cloquet Pollution Control Revenue Refunding (Potlatch Project) 5.90% 10/1/26	\$ 5,500,000	\$ 5,413,925
Laurentian Energy Authority I Cogeneration Revenue Series A 5.00% 12/1/21	3,325,000	3,436,321
Sartell Environmental Improvement Revenue Refunding (International Paper) Series A 5.20% 6/1/27	1,000,000	1,004,370
		9,854,616
<b>Education Revenue Bonds – 8.44%</b>		
Minnesota Higher Education Facilities Authority Revenue (Augsburg College) Series 6-J1 5.00% 5/1/28	1,500,000	1,535,070
(Carleton College) Series 6-T 5.00% 1/1/28	1,000,000	1,109,150
Series 7-D 5.00% 3/1/30 (College of St. Benedict) Series 5-W 5.00% 3/1/20	1,120,000	1,245,451
(St. Mary's University) Series 5-U 4.80% 10/1/23	2,000,000	2,056,780
(University of St. Thomas) Series 6-X 5.00% 4/1/29	1,400,000	1,426,628
Series 7-A 5.00% 10/1/39	2,250,000	2,396,925
University of Minnesota Series A 5.25% 4/1/29	1,000,000	1,055,240
Series C 5.00% 12/1/19	1,290,000	1,139,180
University of the Virgin Islands Improvement Series A 5.375% 6/1/34	500,000	507,315
		14,019,120
<b>Electric Revenue Bonds – 10.07%</b>		
Chaska Electric Revenue Refunding (Generating Facilities) Series A 5.25% 10/1/25	250,000	266,728
Minnesota Municipal Power Agency Electric Revenue Series A 5.00% 10/1/34	1,900,000	1,954,055

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5.25% 10/1/19	1,610,000	1,758,249
Puerto Rico Electric Power Authority		
Revenue Series XX 5.25% 7/1/40	1,645,000	1,720,242
Southern Minnesota Municipal		
Power Agency Supply Revenue		
Series A 5.25% 1/1/14 (AMBAC)	5,250,000	5,922,630
Western Minnesota Municipal		
Power Agency Supply Revenue		
Series A 5.00% 1/1/30 (NATL-RE)	5,000,000	5,103,150
		16,725,054
Healthcare Revenue Bonds – 18.26%		
Bemidji Health Care Facilities First		
Mortgage Revenue (North		
Country Health Services)		
5.00% 9/1/24 (RADIAN)	1,500,000	1,509,480
City of Minneapolis 4.875% 8/1/25	1,000,000	1,020,500
Fergus Falls Health Care Facilities		
Revenue (Lake Region		
Healthcare) 5.00% 8/1/30	1,000,000	996,190
Glencoe Health Care Facilities		
Revenue (Glencoe Regional Health		
Services Project) 5.00% 4/1/25	2,000,000	2,010,800
Maple Grove Health Care System		
Revenue (Maple Grove Hospital)		
5.25% 5/1/37	1,000,000	1,012,160
Minneapolis Health Care System		
Revenue (Fairview Health Services)		
Series A 6.625% 11/15/28	600,000	693,882
Series B 6.50% 11/15/38		
(ASSURED GTY)	295,000	339,200
Series D 5.00% 11/15/34 (AMBAC)	2,000,000	2,032,400
Minnesota Agricultural & Economic		
Development Board Revenue		
(Fairview Health Care System)		
Un-Refunded Balance Series A		
5.75% 11/15/26 (NATL-RE)	100,000	100,085
6.375% 11/15/29	195,000	197,246
Rochester Health Care & Housing		
Revenue Refunding (Samaritan		
Bethany) Series A 7.375% 12/1/41	1,220,000	1,299,654
Shakopee Health Care Facilities		
Revenue (St. Francis Regional		
Medical Center) 5.25% 9/1/34	1,560,000	1,536,943
St. Cloud Health Care Revenue		
(Centracare Health System Project)		
Series A 5.125% 5/1/30	1,125,000	1,188,191
Series D 5.50% 5/1/39 (ASSURED GTY)	1,500,000	1,601,610
St. Louis Park Health Care Facilities		
Revenue Refunding (Park Nicollet		
Health Services)		
5.75% 7/1/39	1,500,000	1,565,865

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Series C 5.50% 7/1/23	1,000,000	1,077,990
St. Paul Housing & Redevelopment		
Authority Health Care		
Facilities Revenue		
(Allina Health System)		
Series A 5.00% 11/15/18 (NATL-RE)	1,380,000	1,535,236
Series A-1 5.25% 11/15/29	1,395,000	1,462,937
(Children's Hospital)		
5.00% 8/15/34 (AGM)	500,000	524,405
(Health Partners Obligation		
Group Project) 5.25% 5/15/36	2,000,000	1,955,780
(Regions Hospital Project)		
5.30% 5/15/28	1,000,000	1,000,140
(Senior Carondelet Village		
Project) Series A 6.00% 8/1/42	770,000	775,929

(continues) 9



## Statements of net assets

Delaware Investments Minnesota Municipal Income Fund II, Inc.

	Principal Amount	Value
<b>Municipal Bonds (continued)</b>		
<b>Healthcare Revenue Bonds (continued)</b>		
St. Paul Housing & Redevelopment Authority Revenue (Franciscan Health Elderly Project) 5.40% 11/20/42 (GNMA) (FHA)	\$ 2,700,000	\$ 2,728,026
University of Minnesota Special Purposes Revenue (State Supported - Biomed Science Research Facilities Funding Project) Series A 5.00% 8/1/35	1,040,000	1,142,024
Winona Health Care Facilities Revenue Refunding (Winona Health Obligation Group) 5.00% 7/1/23	1,010,000	1,013,081
		30,319,754
<b>Housing Revenue Bonds – 8.10%</b>		
Chanhassen Multifamily Housing Revenue Refunding (Heritage Park Apartments Project) 6.20% 7/1/30 (FHA) (HUD) (AMT)	1,105,000	1,106,260
Minneapolis Multifamily Housing Revenue •(Gaar Scott Loft Project) 5.95% 5/1/30 (AMT) (LOC – U.S. Bank N.A.) (Olson Townhomes Project) 6.00% 12/1/19 (AMT) (Seward Towers Project) 5.00% 5/20/36 (GNMA) (Sumner Housing Project) Series A 5.15% 2/20/45 (GNMA) (AMT)	890,000 755,000 2,000,000 2,000,000	891,575 755,506 2,043,020 2,017,220
Minnesota Housing Finance Agency Revenue (Rental Housing) Series A 5.00% 2/1/35 (AMT) Series D 5.95% 2/1/18 (NATL-RE) (Residential Housing) Series B-1 5.35% 1/1/33 (AMT) •Series D 4.75% 7/1/32 (AMT)	1,000,000 120,000 1,475,000 1,000,000	1,004,130 120,502 1,480,708 999,930

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Series I 5.15% 7/1/38 (AMT)	745,000	755,884
Series L 5.10% 7/1/38 (AMT)	1,495,000	1,513,224
Washington County Housing & Redevelopment Authority Revenue Refunding (Woodland Park Apartments Project) 4.70% 10/1/32		
	750,000	756,330
		13,444,289
<b>Lease Revenue Bonds – 6.28%</b>		
Andover Economic Development Authority Public Facilities Lease Revenue Refunding (Andover Community Center)		
5.125% 2/1/24	205,000	226,066
5.20% 2/1/29	410,000	453,120
Puerto Rico Public Buildings Authority Revenue Un-Refunded Balance (Government Facilities)		
Series D 5.25% 7/1/27	530,000	535,698
St. Paul Port Authority Lease Revenue (Cedar Street Office Building Project)		
5.00% 12/1/22	2,385,000	2,543,984
5.25% 12/1/27	2,800,000	2,906,428
(Robert Street Office Building Project) Series 3-11 5.00% 12/1/27	2,000,000	2,093,140
Virginia Housing & Redevelopment Authority Health Care Facility Lease Revenue		
5.25% 10/1/25	680,000	692,104
5.375% 10/1/30	965,000	975,740
		10,426,280
<b>Local General Obligation Bonds – 9.35%</b>		
Dakota County Community Development Agency Governmental Housing Refunding (Senior Housing Facilities)		
Series A 5.00% 1/1/23	1,100,000	1,187,406
Minneapolis Special School District #1		
5.00% 2/1/19 (AGM)	1,175,000	1,268,753
Morris Independent School District #769		
5.00% 2/1/28 (NATL-RE)	3,750,000	4,062,225
Rocori Independent School District #750 (School Building) Series B		
5.00% 2/1/22	1,010,000	1,181,589
5.00% 2/1/24	1,075,000	1,244,689
5.00% 2/1/25	1,115,000	1,283,231
5.00% 2/1/26	1,155,000	1,321,008
Washington County Housing &		

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Redevelopment Authority		
Refunding Series B		
5.50% 2/1/22 (NATL-RE)	1,705,000	1,786,482
5.50% 2/1/32 (NATL-RE)	2,140,000	2,178,991
		15,514,374

§Pre-Refunded/Escrowed to Maturity Bonds – 20.34%

Andover Economic Development		
Authority Public Facilities		
Lease Revenue (Andover		
Community Center)		
5.125% 2/1/24-14	295,000	325,314
5.20% 2/1/29-14	590,000	652,050
Dakota-Washington Counties		
Housing & Redevelopment		
Authority Revenue (Bloomington		
Single Family Residential		
Mortgage) Series B 8.375% 9/1/21		
(GNMA) (FHA) (VA) (AMT)	7,055,000	9,998,559

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	Principal Amount	Value
<b>Municipal Bonds (continued)</b>		
<b>§Pre-Refunded/Escrowed to Maturity Bonds (continued)</b>		
Southern Minnesota Municipal Power Agency Power Supply Revenue Refunding Series A 5.75% 1/1/18-11	\$ 3,715,000	\$ 4,047,195
Series B 5.50% 1/1/15 (AMBAC)	390,000	407,651
St. Louis Park Health Care Facilities Revenue (Park Nicollet Health Services) Series B 5.25% 7/1/30-14	1,250,000	1,443,425
St. Paul Housing & Redevelopment Authority Sales Tax (Civic Center Project) 5.55% 11/1/23	2,300,000	2,484,920
5.55% 11/1/23 (NATL-RE) (IBC)	4,200,000	4,537,680
University of Minnesota Hospital & Clinics 6.75% 12/1/16	2,580,000	3,201,496
University of Minnesota Series A 5.50% 7/1/21	4,000,000	4,904,840
Western Minnesota Municipal Power Agency Power Supply Revenue Series A 6.625% 1/1/16	1,535,000	1,768,335
		33,771,465
<b>Special Tax Revenue Bonds – 3.52%</b>		
Minneapolis Community Planning & Economic Development Department Supported (Common Bond Fund) Series 5 5.70% 12/1/27 (Limited Tax Common Bond Fund)	375,000	375,968
Series A 6.75% 12/1/25 (AMT)	865,000	867,604
Minneapolis Development Revenue (Limited Tax Supported Common Bond Fund) Series 1 5.50% 12/1/24 (AMT)	1,000,000	1,043,510
Puerto Rico Commonwealth Infrastructure Financing Authority Special Tax Revenue Series B 5.00% 7/1/46	800,000	800,176
Puerto Rico Sales Tax Financing Revenue First Subordinate Series B 5.75% 8/1/37	1,200,000	1,299,191
St. Paul Port Authority (Brownsfields Redevelopment Tax) Series 2 5.00% 3/1/37	895,000	941,316
Virgin Islands Public Finance		

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Authority Revenue (Senior Lien Matching Fund Loan Note) Series A 5.25% 10/1/23	500,000	520,595
		5,848,360
<b>State General Obligation Bonds – 1.35%</b>		
Minnesota State 5.00% 6/1/14	1,000,000	1,150,000
Puerto Rico Commonwealth Public Improvement Refunding Series C 6.00% 7/1/39	1,010,000	1,094,950
		2,244,950
<b>Transportation Revenue Bonds – 5.66%</b>		
Minneapolis - St. Paul Metropolitan Airports Commission Revenue Series A 5.00% 1/1/22 (NATL-RE) 5.00% 1/1/28 (NATL-RE) 5.25% 1/1/16 (NATL-RE) Series B 5.00% 1/1/35 (AMBAC) 5.25% 1/1/24 (NATL-RE) (FGIC) (AMT)	3,000,000 2,120,000 1,000,000 2,000,000 1,000,000	3,107,070 2,162,358 1,072,810 2,050,620 1,003,060
		9,395,918
<b>Water &amp; Sewer Revenue Bond – 0.93%</b>		
St. Paul Sewer Revenue Series D 5.00% 12/1/21	1,325,000	1,541,770
		1,541,770
<b>Total Municipal Bonds</b>		
(cost \$153,595,204)		163,105,950
<b>Short-Term Investment – 0.39%</b>		
<b>Variable Rate Demand Note – 0.39%</b>		
Minneapolis & St. Paul Housing & Redevelopment Authority Health Care System Revenue (Allina Health System) Series B-2 0.30% 11/15/35 (LOC – JPMorgan Chase Bank N.A.)	650,000	650,000
<b>Total Short-Term Investment</b>		
(cost \$650,000)		650,000
<b>Total Value of Securities – 98.63%</b>		
(cost \$154,245,204)		163,755,950
<b>Receivables and Other Assets</b>		
Net of Liabilities – 1.37%		2,273,484
<b>Net Assets Applicable to 11,504,975</b>		
Shares Outstanding; Equivalent to \$14.43 Per Share – 100.00%		\$ 166,029,434
<b>Components of Net Assets at September 30, 2010:</b>		

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Common stock, \$0.01 par value, 200 million shares

authorized to the Fund	\$ 157,931,075
Undistributed net investment income	604,731
Accumulated net realized loss on investments	(2,017,118)
Net unrealized appreciation of investments	9,510,746
Total net assets	\$ 166,029,434

§Pre-Refunded bonds. Municipal bonds that are generally backed or secured by U.S. Treasury bonds. For Pre-Refunded bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 9 in "Notes to financial statements."

Variable rate security. The rate shown is the rate as of September 30, 2010. Interest rates reset periodically.

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## Statements of net assets

Delaware Investments Minnesota Municipal Income Fund II, Inc.

### Summary of Abbreviations:

AGM — Insured by Assured Guaranty Municipal Corporation  
AMBAC — Insured by AMBAC Assurance Corporation  
AMT — Subject to Alternative Minimum Tax  
ASSURED GTY — Insured by Assured Guaranty Corporation  
FGIC — Insured by Financial Guaranty Insurance Company  
FHA — Insured by Federal Housing Administration  
GNMA — Government National Mortgage Association Collateral  
HUD — Housing and Urban Development Section 8  
IBC — Insured Bond Certificate  
LOC — Letter of Credit  
NATL-RE — Insured by National Public Finance Guarantee Corporation  
RADIAN — Insured by Radian Asset Assurance  
VA — Veterans Administration Collateral

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

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Edgar Filing: Delaware Investments National Municipal Income Fund - Form N-CSR

Delaware Investments National Municipal Income Fund  
September 30, 2010 (Unaudited)

	Principal Amount	Value
<b>Municipal Bonds – 97.50%</b>		
<b>Corporate-Backed Revenue Bonds – 14.57%</b>		
<b>Brazos, Texas Harbor Industrial</b>		
Development Environmental Facilities Revenue (Dow Chemical Project)		
5.90% 5/1/38 (AMT)	\$ 125,000	\$ 129,629
<b>Buckeye, Ohio Tobacco Settlement</b>		
Financing Authority Asset-Backed Senior Turbo Series A-2		
5.875% 6/1/47	320,000	235,120
6.50% 6/1/47	130,000	105,018
<b>Clayton County, Georgia Development</b>		
Authority Special Facilities Revenue (Delta Airlines) Series B		
9.00% 6/1/35 (AMT)	200,000	217,072
<b>Golden State, California Tobacco</b>		
Securitization Settlement Revenue (Asset-Backed Senior Notes)		
Series A-1 5.125% 6/1/47	370,000	252,999
<b>Gulf Coast Waste Disposal Authority, Texas</b>		
Environmental Facilities Revenue (BP Products North America)		
2.30% 1/1/26	35,000	35,039
2.30% 1/1/42	70,000	70,078
<b>Harris County, Texas Industrial</b>		
Development Solid Waste Disposal Revenue (Deer Park Refining Project)		
5.00% 2/1/23	150,000	159,305
<b>Hawaii State Department Budget &amp; Finance Special Purpose Revenue</b>		
(Hawaiian Electric Subsidiary)		
6.50% 7/1/39	290,000	323,115
<b>Iowa Finance Authority Pollution</b>		
Control Facilities Revenue Refunding (Interstate Power)		
5.00% 7/1/14 (FGIC)	500,000	541,504
<b>Louisiana Local Government Environmental</b>		
Facilities & Community (Westlake Chemical) Series A		
6.50% 8/1/29	245,000	257,319
<b>Maryland State Economic Development</b>		
Port Facilities Revenue Refunding (CNX Marine Terminals)		
5.75% 9/1/25	175,000	180,707



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M-S-R Energy Authority, California Gas		
Revenue Series A		
6.125% 11/1/29	115,000	126,591
6.50% 11/1/39	210,000	244,371
New York City, New York Industrial		
Development Agency Special		
Facilities Revenue (American		
Airlines - JFK International Airport)		
7.625% 8/1/25 (AMT)	450,000	474,281
New York Liberty Development		
5.625% 7/15/47	300,000	312,960
Ohio State Air Quality Development		
Authority Revenue (First Energy		
Generation) Series A 5.70% 8/1/20	260,000	296,091
Pennsylvania Economic Development		
Financing Authority Exempt		
Facilities Revenue (Allegheny		
Energy Supply) 7.00% 7/15/39	345,000	395,418
Selma, Alabama Industrial Development		
Board Revenue Gulf Opportunity Zone		
(International Paper) Series A		
5.80% 5/1/34	445,000	464,251
		4,820,868
<b>Education Revenue Bonds – 12.66%</b>		
Bowling Green, Ohio Student Housing		
Revenue (CFP I - State University		
Project) 6.00% 6/1/45	270,000	277,954
California Statewide Communities		
Development Authority School		
Facilities Revenue (Aspire Public		
Schools) 6.125% 7/1/46	265,000	270,904
California Statewide Communities		
Development Authority Student		
Housing Revenue (Irvine, LLC - UCI		
East Campus) 6.00% 5/15/23	470,000	516,004
Marietta, Georgia Development Authority		
Revenue Refunding (Life University		
Income Project) 7.00% 6/15/39	430,000	438,385
Maryland State Economic Development		
Student Housing Revenue (University of		
Maryland College Park Projects)		
5.75% 6/1/33	370,000	382,377
Massachusetts State Health & Educational		
Facilities Authority Revenue (Nichols		
College Project) Series C 6.125% 10/1/29	250,000	251,310
Michigan Finance Authority Educational		
Facilities Revenue (Senior St. Catherine		
Seina) Series A 8.00% 10/1/30	165,000	165,942
Montgomery County, Pennsylvania Higher		
Education & Health Authority Revenue		

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(Arcadia University) 5.25% 4/1/30	550,000	568,282
New Jersey Economic Development Authority Revenue MSU Student Housing (Provident Group – Montclair LLC) 5.875% 6/1/42	215,000	226,737
Oregon State Facilities Authority Revenue (Concordia University Project) Series A 6.125% 9/1/30	135,000	138,368
Pennsylvania State Higher Educational Facilities Authority Student Housing Revenue (Edinboro University Foundation) 5.80% 7/1/30 (University Properties – East Stroudsburg University) 5.25% 7/1/19	300,000	314,073
Troy, New York Capital Resource Revenue (Rensselaer Polytechnic Series A 5.125% 9/1/40	300,000	311,934
		4,187,638

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## Statements of net assets

Delaware Investments National Municipal Income Fund

	Principal Amount	Value
<b>Municipal Bonds (continued)</b>		
<b>Electric Revenue Bond – 1.90%</b>		
Puerto Rico Electric Power Authority Revenue Series XX 5.25% 7/1/40	\$ 600,000	\$ 627,444
		627,444
<b>Healthcare Revenue Bonds – 18.43%</b>		
Brevard County, Florida Healthcare Facilities Authority Revenue (Health First Income Project) Series B 7.00% 4/1/39	90,000	101,613
Butler County, Pennsylvania Hospital Authority Revenue (Butler Health System Project) 7.125% 7/1/29	150,000	173,741
Hawaii Pacific Health Special Purpose Revenue Series A 5.50% 7/1/40	300,000	301,095
Illinois Finance Authority Revenue (Silver Cross & Medical Centers) 7.00% 8/15/44	300,000	337,977
Lycoming County, Pennsylvania Authority Health System Revenue (Susquehanna Health System Project) Series A 5.50% 7/1/28	500,000	519,300
Maricopa County, Arizona Industrial Development Authority Health Facilities Revenue (Catholic Healthcare West) Series A 6.00% 7/1/39	225,000	243,592
Massachusetts State Health & Education Facilities Authority Revenue (Caregroup) Refunding Series E-2 5.375% 7/1/19	360,000	396,727
Montana Facilities Finance Authority Revenue (Sisters Leavenworth) Series A 5.25% 1/1/40	300,000	324,402
New Hampshire Health & Education Facilities Authority Revenue (Dartmouth-Hitchcock Medical Center) 6.00% 8/1/38	300,000	326,331
New Mexico State Hospital Equipment Loan Council Revenue (Presbyterian		

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Healthcare) 5.00% 8/1/39	500,000	519,140
Ohio State Hospital Facilities Revenue Refunding (Cleveland Clinic Health Series A 5.50% 1/1/39	300,000	325,200
Orange County, Florida Health Facilities Authority Revenue (Orlando Regional Healthcare) Series A 6.25% 10/1/18 (NATL-RE)	1,325,000	1,549,189
Philadelphia Hospitals & Higher Education Facilities Authority Revenue (Temple University Health System) Series B 5.50% 7/1/30	300,000	292,221
Scottsdale, Arizona Industrial Development Authority Hospital Revenue Refunding (Scottsdale Healthcare) Series A 5.00% 9/1/23	360,000	382,885
St. Mary Hospital Authority Pennsylvania Health System Revenue (Catholic Health East) Series A 5.00% 11/15/40	300,000	304,269
		6,097,682
<b>Housing Revenue Bonds – 6.91%</b>		
California Housing Finance Agency Revenue (Home Mortgage) Series M 5.95% 8/1/25 (AMT)	245,000	259,744
California Municipal Finance Authority Mobilehome Park Revenue (Caritas Projects) Series A 6.40% 8/15/45	230,000	229,595
Florida Housing Finance Agency (Homeowner Mortgage) Series 2 5.90% 7/1/29 (NATL-RE) (AMT)	275,000	278,237
Volusia County, Florida Multifamily Housing Finance Authority (San Marco Apartments) Series A 5.60% 1/1/44 (AGM) (AMT)	1,500,000	1,516,800
		2,284,376
<b>Lease Revenue Bond – 0.33%</b>		
Capital Area Cultural Education Facilities Finance Texas Revenue (Roman Catholic Diocese) Remarketing Series B 6.125% 4/1/45	105,000	108,472
		108,472
<b>Local General Obligation Bonds – 1.71%</b>		
New York City, New York Fiscal 2003 Subordinate Series I-1 5.375% 4/1/36	250,000	276,563
Fiscal 2009 Subordinate Series A-1 5.25% 8/15/21	250,000	290,860
		567,423

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### Special Tax Revenue Bonds – 20.30%

Anne Arundel County, Maryland Special Obligation (National Business Park – North Project) 6.10% 7/1/40	200,000	204,400
Brooklyn Arena Local Development, New York Pilot Revenue (Barclays Center Project) 6.50% 7/15/30	300,000	334,983
California State Economic Recovery Series A 5.25% 7/1/21	260,000	307,252
Jacksonville, Florida Sales Tax Revenue (Better Jacksonville) 5.00% 10/1/30 (NATL-RE)	500,000	514,370
Jacksonville, Florida Transportation Revenue Refunding 5.25% 10/1/29 (NATL-RE)	1,000,000	1,031,300
Manchester, Missouri Tax Increment & Transportation Revenue Refunding (Highway 141 Manchester Road Project) 6.875% 11/1/39	165,000	170,209
Miami-Dade County, Florida Special Obligation (Capital Appreciation & Income) Series B 5.00% 10/1/35 (NATL-RE)	2,000,000	2,038,080
New York State Dormitory Authority (State Personal Income Tax Revenue – Education) Series A 5.00% 3/15/38	570,000	612,032

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	Principal Amount	Value
<b>Municipal Bonds (continued)</b>		
<b>Special Tax Revenue Bonds (continued)</b>		
New York State Thruway Authority (State Personal Income Tax Revenue – Transportation) Series A 5.00% 3/15/22	\$ 200,000	\$ 230,406
Puerto Rico Sales Tax Financing Sales Tax Revenue First Subordinate Series A 5.75% 8/1/37	245,000	265,252
(Capital Appreciation) 6.75% 8/1/32	610,000	527,101
Series C 6.00% 8/1/39	295,000	330,335
^Wyandotte County, Kansas City, Kansas Unified Government Special Obligation Revenue (Capital Appreciation) Sales Tax Subordinate Lien Series B 6.07% 6/1/21	260,000	148,346
		6,714,066
<b>State General Obligation Bonds – 6.21%</b>		
California State Various Purposes 6.00% 4/1/38	105,000	116,928
New York State Refunding Series A 5.00% 2/15/39	300,000	321,048
Puerto Rico Commonwealth (Public Improvement) Refunding Series A 5.50% 7/1/19 (NATL-RE)	1,250,000	1,399,575
Series C 6.00% 7/1/39	200,000	216,822
		2,054,373
<b>Transportation Revenue Bonds – 12.64%</b>		
Bay Area Toll Authority, California Toll Bridge Authority Revenue (San Francisco Bay Area) Series F-1 5.625% 4/1/44	235,000	263,825
Florida Ports Financing Commission Revenue (State Transportation Trust Fund) 5.375% 6/1/27 (NATL-RE) (AMT)	1,000,000	1,000,559
Maryland State Economic Development Revenue (Transportation Facilities Project) Series A 5.75% 6/1/35	255,000	267,906
Metropolitan Washington D.C. Airports Authority Dulles Toll Road Revenue (First Senior Lien) Series A 5.25% 10/1/44	245,000	262,035
Pennsylvania Turnpike Commission Revenue Subordinate Series B 5.25% 6/1/39	300,000	317,001
Subordinate Series D 5.125% 12/1/40	390,000	409,321
Regional Transportation District, Colorado Denver Transportation 6.00% 1/15/41	300,000	318,918

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Sacramento County, California Airport Services Revenue (PFC/Grant) Subordinate Series C 6.00% 7/1/41	300,000	329,565
St. Louis, Missouri Airport Revenue (Lambert-St Louis International) Series A-1 6.625% 7/1/34	325,000	354,458
Texas Private Activity Bond Surface Transportation Senior Note (LBJ Infrastructure) 7.00% 6/30/40 (Mobility Partners) 7.50% 12/31/31	285,000 300,000	312,389 347,256
		4,183,233
Water & Sewer Revenue Bonds – 1.84%		
Atlanta, Georgia Water & Wastewater Revenue Series A 6.25% 11/1/39	300,000	342,030
Florida Water Pollution Control Financing Revenue Series A 5.00% 1/15/25	235,000	266,405
		608,435
Total Municipal Bonds		
(cost \$30,103,160)		32,254,010
Total Value of Securities – 97.50%		
(cost \$30,103,160)		32,254,010
Receivables and Other Assets		
Net of Liabilities – 2.50%		827,338
Net Assets Applicable to 2,422,200		
Shares Outstanding, Equivalent to \$13.66 Per Share – 100.00%		\$ 33,081,348
Components of Net Assets at September 30, 2010:		
Common stock, \$0.01 par value, unlimited shares authorized to the Fund		\$ 33,208,317
Undistributed net investment income		264,758
Accumulated net realized loss on investments		(2,542,577)
Net unrealized appreciation of investments		2,150,850
Total net assets		\$ 33,081,348

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

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

Wvariable rate security. The rate shown is the rate as of September 30, 2010. Interest rates reset periodically.

### Summary of Abbreviations:

AGM — Insured by Assured Guaranty Municipal Corporation  
 AMT — Subject to Alternative Minimum Tax  
 FGIC — Insured by Financial Guaranty Insurance Company  
 NATL-RE — Insured by National Public Finance Guarantee Corporation

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

## Statements of operations

Delaware Investments Closed-End Municipal Bond Funds  
Six Months Ended September 30, 2010 (Unaudited)

	Delaware Investments Arizona Municipal Income Fund, Inc.	Delaware Investments Colorado Municipal Income Fund, Inc.	Delaware Investments Minnesota Municipal Income Fund II, Inc.	Delaware Investments National Municipal Income Fund
<b>Investment Income:</b>				
Interest	\$ 1,003,025	\$ 1,651,142	\$ 3,970,543	\$ 842,566
<b>Expenses:</b>				
Management fees	84,030	137,620	328,010	64,820
Accounting and administration expenses	8,326	13,636	32,500	6,423
Audit and tax	6,536	7,224	9,712	6,322
Dividend disbursing and transfer agent fees and expenses	6,501	8,798	23,177	8,472
Pricing fees	3,027	3,338	5,360	3,856
Reports and statements to shareholders	2,895	6,071	15,907	4,842
Legal fees	2,160	862	2,814	303
Stock exchange fees	1,390	2,138	5,359	1,113
Directors'/Trustees' fees	1,155	1,892	4,513	891
Insurance fees	986	1,598	3,888	750
Dues and services	456	687	1,491	361
Consulting fees	337	536	1,284	261
Registration fees	283	283	396	396
Custodian fees	270	419	1,082	276
Directors'/Trustees' expenses	92	130	308	73
Taxes (Pennsylvania franchise tax)	—	—	5,900	—
Total operating expenses	118,444	185,232	441,701	99,159
Net Investment Income	884,581	1,465,910	3,528,842	743,407
<b>Net Realized and Unrealized Gain on Investments:</b>				
Net realized gain on investments	4,607	123,255	202,883	107,874
Net change in unrealized appreciation/depreciation of investments	1,554,664	2,059,383	3,854,096	1,203,656
Net Realized and Unrealized Gain on Investments	1,559,271	2,182,638	4,056,979	1,311,530
Net Increase in Net Assets Resulting from Operations	\$ 2,443,852	\$ 3,648,548	\$ 7,585,821	\$ 2,054,937

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



## Statements of changes in net assets

### Delaware Investments Closed-End Municipal Bond Funds

	Delaware Investments Arizona Municipal Income Fund, Inc.		Delaware Investments Colorado Municipal Income Fund, Inc.	
	Six Months Ended 9/30/10 (Unaudited)	Year Ended 3/31/10	Six Months Ended 9/30/10 (Unaudited)	Year Ended 3/31/10
<b>Increase in Net Assets from Operations:</b>				
Net investment income	\$ 884,581	\$ 1,718,485	\$ 1,465,910	\$ 2,935,660
Net realized gain on investments	4,607	397,279	123,255	1,000,097
Net change in unrealized appreciation/depreciation of investments	1,554,664	2,548,883	2,059,383	2,519,706
Net increase in net assets resulting from operations	2,443,852	4,664,647	3,648,548	6,455,463
<b>Dividends and Distributions to Common Shareholders from:</b>				
Net investment income	(767,917)	(1,438,912)	(1,378,574)	(2,757,147)
Net realized gain on investments	(98,413)	(74,555)	—	—
	(866,330)	(1,513,467)	(1,378,574)	(2,757,147)
<b>Net Increase in Net Assets</b>	<b>1,577,522</b>	<b>3,151,180</b>	<b>2,269,974</b>	<b>3,698,316</b>
<b>Net Assets:</b>				
Beginning of period	41,095,360	37,944,180	67,650,802	63,952,486
End of period	\$ 42,672,882	\$ 41,095,360	\$ 69,920,776	\$ 67,650,802
<b>Undistributed net investment income</b>	<b>\$ 380,050</b>	<b>\$ 268,364</b>	<b>\$ 262,136</b>	<b>\$ 176,704</b>
	Delaware Investments Minnesota Municipal Income Fund II, Inc.		Delaware Investments National Municipal Income Fund	
	Six Months Ended 9/30/10 (Unaudited)	Year Ended 3/31/10	Six Months Ended 9/30/10 (Unaudited)	Year Ended 3/31/10
<b>Increase (Decrease) in Net Assets from Operations:</b>				
Net investment income	\$ 3,528,842	\$ 6,924,251	\$ 743,407	\$ 1,383,491
Net realized gain (loss) on investments	202,883	457,242	107,874	(344,009)
Net change in unrealized appreciation/depreciation of investments	3,854,096	9,715,309	1,203,656	2,879,326
Net increase in net assets resulting from operations	7,585,821	17,096,802	2,054,937	3,918,808
<b>Dividends and Distributions to Common Shareholders from:</b>				
Net investment income	(3,278,918)	(6,557,836)	(623,717)	(1,235,322)
	(3,278,918)	(6,557,836)	(623,717)	(1,235,322)
<b>Net Increase in Net Assets</b>	<b>4,306,903</b>	<b>10,538,966</b>	<b>1,431,220</b>	<b>2,683,486</b>

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### Net Assets:

Beginning of period	161,722,531	151,183,565	31,650,128	28,966,642
End of period	\$ 166,029,434	\$ 161,722,531	\$ 33,081,348	\$ 31,650,128
Undistributed net investment income	\$ 604,731	\$ 362,513	\$ 264,758	\$ 145,793

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

## Financial highlights

Delaware Investments Arizona Municipal Income Fund, Inc.

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

	Six Months Ended 9/30/10 (Unaudited)	Year Ended 3/31/10	3/31/09	3/31/08	3/31/07	3/31/06
Net asset value, beginning of period	\$13.780	\$12.720	\$13.850	\$14.730	\$14.730	\$15.070
<b>Income (loss) from investment operations:</b>						
Net investment income	0.297	0.576	0.707	0.906	0.932	0.951
Net realized and unrealized gain (loss) on investments	0.524	0.992	(1.093)	(0.783)	0.160	(0.177)
<b>Dividends on preferred stock from:</b>						
Net investment income	—	—	(0.174)	(0.312)	(0.297)	(0.232)
Net realized gain on investments	—	—	—	(0.023)	(0.013)	(0.002)
Total dividends on preferred stock	—	—	(0.174)	(0.335)	(0.310)	(0.234)
Total from investment operations	0.821	1.568	(0.560)	(0.212)	0.782	0.540
<b>Less dividends and distributions to common shareholders from:</b>						
Net investment income	(0.258)	(0.483)	(0.570)	(0.610)	(0.750)	(0.860)
Net realized gain on investments	(0.033)	(0.025)	—	(0.058)	(0.032)	(0.020)
Total dividends and distributions	(0.291)	(0.508)	(0.570)	(0.668)	(0.782)	(0.880)
Net asset value, end of period	\$14.310	\$13.780	\$12.720	\$13.850	\$14.730	\$14.730
Market value, end of period	\$13.240	\$11.840	\$9.900	\$12.390	\$14.790	\$15.980
<b>Total investment return based on:<sup>2</sup></b>						
Market value	14.45%	25.04%	(15.86%)	(11.86%)	(2.58%)	9.74%
Net asset value	6.28%	13.27%	(3.29%)	(1.08%)	5.26%	3.31%
<b>Ratios and supplemental data:</b>						
Net assets applicable to common shares, end of period (000 omitted)	\$42,673	\$41,095	\$37,944	\$41,294	\$43,916	\$43,923
Ratio of expenses to average net assets applicable to common shares <sup>3</sup>	0.56%	0.58%	0.96%	1.07%	1.05%	1.03%
Ratio of net investment income to average net assets applicable to common shares <sup>3</sup>	4.21%	4.27%	5.37%	6.34%	6.34%	6.28%
Ratio of net investment income to average net assets applicable to common shares net of dividends to preferred shares <sup>4</sup>	4.21%	4.27%	4.05%	3.99%	4.23%	4.72%
Portfolio turnover	4%	20%	4%	18%	17%	2%
<b>Leverage analysis:</b>						
Value of preferred shares outstanding (000 omitted) <sup>5</sup>	\$—	\$—	\$—	\$25,000	\$25,000	\$25,000
Net asset coverage per share of preferred shares, end of period <sup>5</sup>	\$—	\$—	\$—	\$132,588	\$137,832	\$137,847

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Liquidation value per share of preferred shares <sup>5,6</sup>	\$—	\$—	\$—	\$50,000	\$50,000	\$50,000
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1 Ratios have been annualized and total return and portfolio turnover have 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, if applicable.

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

5 In 2008, the Fund redeemed all of its preferred shares at par plus accumulated dividends amounting to \$25,024,395. See Note 7 in "Notes to financial statements."

6 Excluding any accumulated but unpaid dividends.

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

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# Edgar Filing: Delaware Investments National Municipal Income Fund - Form N-CSR

Delaware Investments Colorado Municipal Income Fund, Inc.

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

	Six Months Ended 9/30/10 (Unaudited)	Year Ended 3/31/10	3/31/09	3/31/08	3/31/07	3/31/06
Net asset value, beginning of period	\$13.990	\$13.220	\$14.260	\$15.100	\$15.260	\$15.580
<b>Income (loss) from investment operations:</b>						
Net investment income	0.303	0.607	0.755	0.937	0.985	1.018
Net realized and unrealized gain (loss) on investments	0.452	0.733	(0.965)	(0.604)	0.069	(0.129)
<b>Dividends on preferred stock from:</b>						
Net investment income	—	—	(0.173)	(0.264)	(0.274)	(0.213)
Net realized gain on investments	—	—	—	(0.050)	(0.019)	(0.006)
Total dividends on preferred stock	—	—	(0.173)	(0.314)	(0.293)	(0.219)
Total from investment operations	0.755	1.340	(0.383)	0.019	0.761	0.670
<b>Less dividends and distributions to common shareholders from:</b>						
Net investment income	(0.285)	(0.570)	(0.657)	(0.720)	(0.850)	(0.960)
Net realized gain on investments	—	—	—	(0.139)	(0.071)	(0.030)
Total dividends and distributions	(0.285)	(0.570)	(0.657)	(0.859)	(0.921)	(0.990)
Net asset value, end of period	\$14.460	\$13.990	\$13.220	\$14.260	\$15.100	\$15.260
Market value, end of period	\$13.920	\$13.390	\$11.240	\$15.060	\$15.940	\$18.650
<b>Total investment return based on:</b> <sup>2</sup>						
Market value	6.14%	24.49%	(21.63%)	(0.14%)	(9.86%)	14.64%
Net asset value	5.52%	10.55%	(2.66%)	(0.19%)	4.35%	3.44%
<b>Ratios and supplemental data:</b>						
Net assets applicable to common shares, end of period (000 omitted)	\$69,921	\$67,651	\$63,952	\$68,973	\$73,056	\$73,833
Ratio of expenses to average net assets applicable to common shares <sup>3</sup>	0.54%	0.56%	0.91%	1.03%	1.01%	0.95%
Ratio of net investment income to average net assets applicable to common shares <sup>3</sup>	4.26%	4.41%	5.55%	6.37%	6.49%	6.51%
Ratio of net investment income to average net assets applicable to common shares net of dividends to preferred shares <sup>4</sup>	4.26%	4.41%	4.28%	4.23%	4.56%	5.11%
Portfolio turnover	9%	20%	16%	16%	11%	12%
<b>Leverage analysis:</b>						
Value of preferred shares outstanding (000 omitted) <sup>5</sup>	\$—	\$—	\$—	\$40,000	\$40,000	\$40,000
Net asset coverage per share of preferred shares, end of period <sup>5</sup>	\$—	\$—	\$—	\$136,216	\$141,320	\$142,291
Liquidation value per share of preferred shares <sup>5,6</sup>	\$—	\$—	\$—	\$50,000	\$50,000	\$50,000

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

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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, if applicable.

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

5 In 2008, the Fund redeemed all of its preferred shares at par plus accumulated dividends amounting to \$40,042,778. See Note 7 in "Notes to financial statements."

6 Excluding any accumulated but unpaid dividends.

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

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## Financial highlights

Delaware Investments Minnesota Municipal Income Fund II, Inc.

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

	Six Months Ended 9/30/10 (Unaudited)	Year Ended 3/31/10	3/31/09	3/31/08	3/31/07	3/31/06
Net asset value, beginning of period	\$14.060	\$13.140	\$14.190	\$14.880	\$14.730	\$14.890
<b>Income (loss) from investment operations:</b>						
Net investment income	0.307	0.602	0.776	0.962	0.963	0.971
Net realized and unrealized gain (loss) on investments	0.348	0.888	(1.013)	(0.674)	0.225	0.012
<b>Dividends on preferred stock from:</b>						
Net investment income	—	—	(0.175)	(0.318)	(0.298)	(0.243)
Total dividends on preferred stock	—	—	(0.175)	(0.318)	(0.298)	(0.243)
Total from investment operations	0.655	1.490	(0.412)	(0.030)	0.890	0.740
<b>Less dividends to common shareholders from:</b>						
Net investment income	(0.285)	(0.570)	(0.638)	(0.660)	(0.740)	(0.900)
Total dividends	(0.285)	(0.570)	(0.638)	(0.660)	(0.740)	(0.900)
Net asset value, end of period	\$14.430	\$14.060	\$13.140	\$14.190	\$14.880	\$14.730
Market value, end of period	\$13.200	\$12.740	\$11.250	\$13.450	\$14.640	\$16.200
<b>Total investment return based on:</b>						
Market value	5.90%	18.58%	(11.91%)	(3.58%)	(5.13%)	4.73%
Net asset value	4.87%	12.04%	(2.48%)	0.08%	6.05%	4.69%
<b>Ratios and supplemental data:</b>						
Net assets applicable to common shares, end of period (000 omitted)	\$166,029	\$161,723	\$151,184	\$163,305	\$171,143	\$169,481
Ratio of expenses to average net assets applicable to common shares <sup>3,5</sup>	0.54%	0.56%	0.98%	1.18%	1.20%	1.07%
Ratio of net investment income to average net assets applicable to common shares <sup>3</sup>	4.30%	4.36%	5.74%	6.61%	6.52%	6.45%
Ratio of net investment income to average net assets applicable to common shares net of dividends to preferred shares <sup>4</sup>	4.30%	4.36%	4.45%	4.43%	4.50%	4.86%
Portfolio turnover	4%	19%	15%	6%	3%	8%
<b>Leverage analysis:</b>						
Value of preferred shares outstanding (000 omitted) <sup>6</sup>	\$—	\$—	\$—	\$95,000	\$95,000	\$95,000
Net asset coverage per share of preferred shares, end of period <sup>6</sup>	\$—	\$—	\$—	\$135,950	\$140,075	\$139,200
Liquidation value per share of preferred shares <sup>6,7</sup>	\$—	\$—	\$—	\$50,000	\$50,000	\$50,000

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1 Ratios have been annualized and total return and portfolio turnover have 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, if applicable.

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

5 The ratio of expenses to average net assets applicable to common shares includes interest and related expenses which include, but are not limited to, interest expense, remarketing fees, liquidity fees, and trustees' fees in connection with the Fund's participation in inverse floater programs for the years ended March 31, 2009, 2008, and 2007. See Notes 1 and 8 in "Notes to financial statements."

6 In 2008, the Fund redeemed all of its preferred shares at par plus accumulated dividends amounting to \$95,083,577. See Note 7 in "Notes to financial statements."

7 Excluding any accumulated but unpaid dividends.

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



# Edgar Filing: Delaware Investments National Municipal Income Fund - Form N-CSR

## Delaware Investments National Municipal Income Fund

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

	Six Months Ended 9/30/10 (Unaudited)	Year Ended 3/31/10	3/31/09	3/31/08	3/31/07	3/31/06
Net asset value, beginning of period	\$13.070	\$11.960	\$13.360	\$14.560	\$14.650	\$15.340
<b>Income (loss) from investment operations:</b>						
Net investment income	0.307	0.571	0.704	0.919	0.960	1.017
Net realized and unrealized gain (loss) on investments	0.541	1.049	(1.367)	(1.081)	0.141	(0.236)
<b>Dividends on preferred stock from:</b>						
Net investment income	—	—	(0.172)	(0.311)	(0.285)	(0.202)
Net realized gain on investments	—	—	—	(0.015)	(0.018)	(0.055)
Total dividends on preferred stock	—	—	(0.172)	(0.326)	(0.303)	(0.257)
Total from investment operations	0.848	1.620	(0.835)	(0.488)	0.798	0.524
<b>Less dividends and distributions to common shareholders from:</b>						
Net investment income	(0.258)	(0.510)	(0.565)	(0.668)	(0.820)	(0.970)
Net realized gain on investments	—	—	—	(0.044)	(0.068)	(0.244)
Total dividends and distributions	(0.258)	(0.510)	(0.565)	(0.712)	(0.888)	(1.214)
Net asset value, end of period	\$13.660	\$13.070	\$11.960	\$13.360	\$14.560	\$14.650
Market value, end of period	\$13.100	\$12.140	\$10.850	\$11.950	\$14.530	\$16.050
<b>Total investment return based on:</b> <sup>2</sup>						
Market value	10.08%	16.69%	(4.31%)	(13.11%)	(4.12%)	14.75%
Net asset value	6.62%	13.97%	(5.65%)	(3.05%)	5.27%	2.76%
<b>Ratios and supplemental data:</b>						
Net assets applicable to common shares, end of period (000 omitted)	\$33,081	\$31,650	\$28,967	\$32,365	\$35,256	\$35,492
Ratio of expenses to average net assets applicable to common shares <sup>3</sup>	0.61%	0.63%	1.06%	1.16%	1.10%	1.07%
Ratio of net investment income to average net assets applicable to common shares <sup>3</sup>	4.59%	4.48%	5.63%	6.54%	6.58%	6.70%
Ratio of net investment income to average net assets applicable to common shares net of dividends to preferred shares <sup>4</sup>	4.59%	4.48%	4.25%	4.22%	4.51%	5.01%
Portfolio turnover	27%	69%	36%	17%	9%	28%
<b>Leverage analysis:</b>						
Value of preferred shares outstanding (000 omitted) <sup>5</sup>	\$—	\$—	\$—	\$20,000	\$20,000	\$20,000
Net asset coverage per share of preferred shares, end of period <sup>5</sup>	\$—	\$—	\$—	\$130,914	\$138,141	\$138,731
Liquidation value per share of preferred shares <sup>5,6</sup>	\$—	\$—	\$—	\$50,000	\$50,000	\$50,000

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

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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, if applicable.

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

5 In 2008, the Fund redeemed all of its preferred shares at par plus accumulated dividends amounting to \$20,019,516. See Note 7 in "Notes to financial statements."

6 Excluding any accumulated but unpaid dividends.

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

## Notes to financial statements

Delaware Investments Closed-End Municipal Bond Funds  
September 30, 2010 (Unaudited)

Delaware Investments Arizona Municipal Income Fund, Inc. (Arizona Municipal Fund), Delaware Investments Colorado Municipal Income Fund, Inc. (Colorado Municipal Fund) and Delaware Investments Minnesota Municipal Income Fund II, Inc. (Minnesota Municipal Fund II) are organized as Minnesota corporations and Delaware Investments National Municipal Income Fund (National Municipal Fund) is organized as a Massachusetts business trust (each referred to as a Fund and collectively as the Funds). Arizona Municipal Fund, Colorado Municipal Fund, Minnesota Municipal Fund II and National Municipal Fund are considered diversified closed-end management investment companies under the Investment Company Act of 1940, as amended. The Funds' shares trade on the NYSE Amex Equities, the successor to the American Stock Exchange.

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

### 1. Significant Accounting Policies

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

**Security Valuation** — Debt securities are valued by an independent pricing service or broker. To the extent current market prices are not available, the pricing service may take into account developments related to the specific security, as well as transactions in comparable securities. Short-term debt securities are valued at market value. Generally, other securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith under the direction of each Fund's Board of Directors/Trustees (each a Board, and collectively, the Boards). In determining whether market quotations are readily available or fair valuation will be used, various factors will be taken into consideration, such as market closures or suspension of trading in a security.

**Federal Income Taxes** — No provision for federal income taxes has been made as each Fund intends to continue to qualify for federal income tax purposes as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended, and make the requisite distributions to shareholders. The Funds evaluate tax positions taken or expected to be taken in the course of preparing the Funds' tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. Management has analyzed the Funds' tax positions taken on federal income tax returns for all open tax years (March 31, 2007 – March 31, 2010), and has concluded that no provision for federal income tax is required in the Funds' financial statements.

**Use of Estimates** — The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and such differences could be material.

**Interest and Related Expenses** — Interest and related expenses include, but are not limited to, interest expense, remarketing fees, liquidity fees, and trustees' fees from the Funds' participation in inverse floater programs where a Fund has transferred its own bonds to a trust that issues floating rate securities with an aggregate principal amount equal to the principal of the transferred bonds. In conveyance of the bond, the Funds receive the inverse floating rate securities and cash from the trust. As a result of certain rights retained by the Funds, the transfer of the bond is not considered a sale, but rather a form of financing for accounting purposes whereby the cash received is recorded as a liability and interest expense is recorded based on the interest rate of the floating rate securities. Remarketing fees, liquidity fees, and trustees' expenses are recorded on the accrual basis. There were no interest and related expenses for the six months ended September 30, 2010.

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

The Funds may receive earnings credits from their custodian when positive cash balances are maintained, which are used to offset custody fees. There were no earnings credits for the six months ended September 30, 2010.

The Funds may receive earnings credits from their transfer agent when positive cash balances are maintained, which are used to offset transfer agent fees. There were no earnings credits for the six months ended September 30, 2010.



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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.

Delaware Service Company, Inc. (DSC), an affiliate of DMC, provides fund accounting and financial administration oversight services to the Funds. For these services, the Funds pay DSC fees based on the aggregate daily net assets of the Delaware Investments® Family of Funds at the following annual rate: 0.0050% of the first \$30 billion; 0.0045% of the next \$10 billion; 0.0040% of the next \$10 billion; and 0.0025% of aggregate average daily net assets in excess of \$50 billion. The fees payable to DSC under the service agreement described above are allocated among all Funds in the Delaware Investments® Family of Funds on a relative net asset value basis. For the six months ended September 30, 2010, the Funds were charged as follows:

	Arizona Municipal Fund	Colorado Municipal Fund	Minnesota Municipal Fund II	National Municipal Fund
	\$1,050	\$1,719	\$4,098	\$810

At September 30, 2010, each Fund had liabilities payable to affiliates as follows:

	Arizona Municipal Fund	Colorado Municipal Fund	Minnesota Municipal Fund II	National Municipal Fund
Investment management fee payable to DMC	\$ 14,013	\$ 22,951	\$ 54,547	\$ 10,845
Accounting administration and other expenses payable to DSC	175	286	680	135
Other expenses payable to DMC and affiliates*	3,270	6,531	15,090	1,473

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

As provided in the investment management agreement, each Fund bears the cost of certain legal and tax services, including internal legal and tax services provided to each Fund by DMC and/or its affiliates' employees. For the six months ended September 30, 2010, each Fund was charged for internal legal and tax services provided by DMC and/or its affiliates' employees as follows:

	Arizona Municipal Fund	Colorado Municipal Fund	Minnesota Municipal Fund II	National Municipal Fund
	\$304	\$474	\$1,134	\$242

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

### 3. Investments

For the six months ended September 30, 2010, the Funds made purchases and sales of investment securities other than short-term investments as follows:

	Arizona Municipal Fund	Colorado Municipal Fund	Minnesota Municipal Fund II	National Municipal Fund
Purchases	\$ 2,450,070	\$ 6,130,780	\$ 7,157,349	\$ 8,847,969
Sales	1,693,721	6,615,529	7,997,264	9,836,146

At September 30, 2010, the cost of investments for federal income tax purposes has been estimated since final tax characteristics cannot be determined until fiscal year end. At September 30, 2010, the cost of investments and unrealized appreciation (depreciation) for each Fund were as follows:

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	Arizona Municipal Fund	Colorado Municipal Fund	Minnesota Municipal Fund II	National Municipal Fund
Cost of investments	\$ 41,016,999	\$ 65,755,041	\$ 154,166,796	\$ 30,095,786
Aggregate unrealized appreciation	\$ 1,881,093	\$ 3,674,007	\$ 9,873,641	\$ 2,181,157
Aggregate unrealized depreciation	(244,152)	(383,878)	(284,487)	(22,933)
Net unrealized appreciation	\$ 1,636,941	\$ 3,290,129	\$ 9,589,154	\$ 2,158,224

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## Notes to financial statements

### Delaware Investments Closed-End Municipal Bond Funds

#### 3. Investments (continued)

U.S. GAAP defines fair value as the price that the Funds would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. A three level hierarchy for fair value measurements has been established based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available under the circumstances. Each Fund's investment in its entirety is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three level hierarchy of inputs is summarized below.

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

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

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

The following table summarizes the valuation of each Fund's investments by fair value hierarchy levels as of September 30, 2010:

	Arizona Municipal Fund
	Level 2
Municipal Bonds	\$ 42,653,940
Total	\$ 42,653,940
	Colorado Municipal Fund
	Level 2
Municipal Bonds	\$ 69,045,170
Total	\$ 69,045,170
	Minnesota Municipal Fund II
	Level 2
Municipal Bonds	\$ 163,105,950
Short-Term	650,000
Total	\$ 163,755,950
	National Municipal Fund
	Level 2
Municipal Bonds	\$ 32,254,010
Total	\$ 32,254,010

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

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In January 2010, the Financial Accounting Standards Board issued an Accounting Standards Update, Improving Disclosures about Fair Value Measurements, which introduced new disclosure requirements and clarified certain existing disclosure requirements around fair value measurements currently presented above. The new disclosures and clarifications of existing disclosures are generally effective for the Funds' fiscal year ending, March 31, 2011 and interim periods therein. During the six months ended September 30, 2010, there were no transfers between Level 1 investments, Level 2 investments, or Level 3 investments that had a material impact to the Funds.



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### 4. Dividend and Distribution Information

Income and long-term capital gain distributions are determined in accordance with federal income tax regulations, which may differ from U.S. GAAP. Additionally, distributions from net short-term gains on sales of investment securities are treated as ordinary income for federal income tax purposes. The tax character of dividends and distributions paid during the six months ended September 30, 2010 and year ended March 31, 2010 was as follows:

	Arizona Municipal Fund	Colorado Municipal Fund	Minnesota Municipal Fund II	National Municipal Fund
<b>Six Months Ended 9/30/10*</b>				
Long-term capital gain	\$ 97,833	\$ —	\$ —	\$ —
Ordinary income	580	—	—	12,514
Tax-exempt income	767,917	1,378,574	3,278,918	611,203
<b>Total</b>	<b>\$ 866,330</b>	<b>\$ 1,378,574</b>	<b>\$ 3,278,918</b>	<b>\$ 623,717</b>
<b>Year Ended 3/31/10</b>				
Long-term capital gain	\$ 74,555	\$ —	\$ —	\$ —
Ordinary income	—	—	—	18,011
Tax-exempt income	1,438,912	2,757,147	6,557,836	1,217,311
<b>Total</b>	<b>\$ 1,513,467</b>	<b>\$ 2,757,147</b>	<b>\$ 6,557,836</b>	<b>\$ 1,235,322</b>

\*Tax information for the six months ended September 30, 2010 is an estimate and the tax character of dividends and distributions may be redesignated at fiscal year end.

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

The components of net assets are estimated since final tax characteristics cannot be determined until fiscal year end. As of September 30, 2010, the estimated components of net assets on a tax basis were as follows:

	Arizona Municipal Fund	Colorado Municipal Fund	Minnesota Municipal Fund II	National Municipal Fund
Shares of beneficial interest	\$40,651,205	\$66,918,121	\$157,931,075	\$33,208,317
Undistributed long-term capital gains	4,686	—	—	—
Undistributed tax-exempt income	380,050	262,136	604,731	264,758
Realized gains 4/1/10 - 9/30/10	—	123,308	162,363	99,424
Capital loss carryforwards as of 3/31/10	—	(672,918)	(2,257,889)	(2,649,375)
Unrealized appreciation of investments	1,636,941	3,290,129	9,589,154	2,158,224
<b>Net assets</b>	<b>\$42,672,882</b>	<b>\$69,920,776</b>	<b>\$166,029,434</b>	<b>\$33,081,348</b>

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

For financial reporting purposes, capital accounts are adjusted to reflect the tax character of permanent book/tax differences. Reclassifications are primarily due to tax treatment of dividends and distributions and tax treatment of market discount on debt instruments. Results of operations and net assets were not affected by these reclassifications. For the six months ended September 30, 2010, the Funds recorded an estimate of these differences since final tax characteristics cannot be determined until fiscal year end.

	Arizona Municipal Fund	Colorado Municipal Fund	Minnesota Municipal Fund II	National Municipal Fund
Undistributed net investment income	\$ (4,978)	\$ (1,904)	\$ (7,706)	\$ (925)
Accumulated net realized gain	4,978	1,904	7,706	925



## Notes to financial statements

### Delaware Investments Closed-End Municipal Bond Funds

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

For federal income tax purposes, capital loss carryforwards may be carried forward and applied against future capital gains. Capital loss carryforwards remaining at March 31, 2010 will expire as follows:

Year of Expiration	Colorado Municipal Fund	Minnesota Municipal Fund II	National Municipal Fund
2013	\$ —	\$ 9,826	\$ —
2016	—	—	18,596
2017	672,918	1,983,869	1,770,984
2018	—	264,194	859,795
<b>Total</b>	<b>\$ 672,918</b>	<b>\$ 2,257,889</b>	<b>\$ 2,649,375</b>

For the six months ended September 30, 2010, the Funds had capital gains, as follows, which may reduce the capital loss carryforwards:

	Colorado Municipal Fund	Minnesota Municipal Fund II	National Municipal Fund
	\$123,308	\$162,363	\$99,424

#### 6. Capital Stock

Pursuant to their articles of incorporation, Arizona Municipal Fund, Colorado Municipal Fund and Minnesota Municipal Fund II each have 200 million shares of \$0.01 par value common shares authorized. National Municipal Fund has been authorized to issue an unlimited amount of \$0.01 par value common shares. The Funds did not repurchase any shares under the Share Repurchase Program during the six months ended September 30, 2010. Shares issuable under the Funds' dividend reinvestment plan are purchased by the Funds' transfer agent, BNY Mellon Shareowner Services, in the open market.

For the six months ended September 30, 2010, the Funds did not have any transactions in common shares.

#### 7. Redemption of Preferred Shares

On October 7, 2008, the Funds' Board approved a plan to redeem all outstanding preferred shares issued by the Funds. At the time, the market was experiencing extraordinary volatility, which resulted in significantly higher rates on the preferred shares. Management recommended the redemption of the Funds' preferred shares because of the increasing difficulty for the Funds to invest the assets attributable to the preferred shares in securities that provided a rate of return in excess of the dividend rates payable on the preferred shares. These higher costs, in conjunction with market conditions at that time, could cause the Funds to realize an overall lower rate of return than if the Funds were not leveraged. Each Fund's Board may consider adding some form of leverage to the Funds in the future if warranted by economic conditions at that time.

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Prior to the redemption, each preferred share had a liquidation preference of \$50,000 plus an amount equal to accumulated but unpaid dividends. The effective dates and redemption values are as follows:

	Shares Redeemed	Total
<b>Arizona Municipal Fund</b>		
Effective 10/24/08		
Series A	250	\$ 12,512,197.50
Series B	250	12,512,197.50
<b>Total</b>	<b>500</b>	<b>\$ 25,024,395.00</b>
<b>Colorado Municipal Fund</b>		
Effective 10/22/08		
Series A	270	\$ 13,516,758.90
Series B	270	13,516,758.90
		\$ 27,033,517.80
Effective 10/29/08		
Colorado A	95	\$ 4,753,593.85
Colorado B	95	4,753,593.85
		\$ 9,507,187.70
Effective 11/5/08		
Series A	35	\$ 1,751,036.00
Series B	35	1,751,036.00
		\$ 3,502,072.00
<b>Total</b>	<b>800</b>	<b>\$ 40,042,777.50</b>
<b>Minnesota Municipal Fund II</b>		
Effective 10/22/08		
Series B	355	\$ 17,772,038.40
Effective 10/24/08		
Series A	355	\$ 17,767,320.45
Series C	227	11,361,075.33
Series D	177	8,858,635.83
		\$ 37,987,031.61
Effective 10/29/08 and 10/31/08		
Series A	115	\$ 5,753,645.50
Series B	115	5,754,350.45
Series C	80	4,002,536.00
Series D	60	3,001,902.00
		\$ 18,512,433.95
Effective 11/5/08 and 11/7/08		
Series B	130	\$ 6,503,848.00
Series A	130	6,503,738.80
Series C	93	4,652,674.68
Series D	63	3,151,811.88
		\$ 20,812,073.36
<b>Total</b>	<b>1,900</b>	<b>\$ 95,083,577.32</b>
<b>National Municipal Fund</b>		
Effective 10/24/08		

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Series A	200	\$ 10,009,758.00
Series B	200	10,009,758.00
Total	400	\$ 20,019,516.00

In connection with these transactions, each Fund liquidated a corresponding amount of its investments to fund the redemptions.

### 8. Derivatives

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

**Inverse Floaters** — Each Fund may participate in inverse floater programs where a fund transfers its own bonds to a trust that issues floating rate securities and inverse floating rate securities (inverse floaters) with an aggregate principal amount equal to the principal of the transferred bonds. The inverse floaters received by the Funds are derivative tax-exempt obligations with floating or variable interest rates that move in the opposite direction of short-term interest rates, usually at an accelerated speed. Consequently, the market values of the inverse floaters will generally be more volatile than other tax-exempt investments. The Funds typically use inverse floaters to adjust the duration of their portfolio. Duration measures a portfolio's sensitivity to changes in interest rates. By holding inverse floaters with a different duration than the underlying bonds that a Fund transferred to the trust, the Fund seeks to adjust its portfolio's sensitivity to changes in interest rates. The Funds may also invest in inverse floaters to add additional income to the Funds or to adjust the Funds' exposure to a specific segment of the yield curve. At September 30, 2010, the Funds held no investments in inverse floaters.

### 9. Credit and Market Risk

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

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## Notes to financial statements

### Delaware Investments Closed-End Municipal Bond Funds

#### 9. Credit and Market Risk (continued)

obligations. A real or perceived decline in creditworthiness of a bond insurer can have an adverse impact on the value of insured bonds held in each Fund. At September 30, 2010, the percentages of each Fund's net assets insured by insurers are listed below and these securities have been identified in the statements of net assets.

Arizona Municipal Fund	35%
Colorado Municipal Fund	41%
Minnesota Municipal Fund II	23%
National Municipal Fund	30%

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

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

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

Each Fund may invest up to 15% of its net assets in illiquid securities, which may include securities with contractual restrictions on resale, securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended, and other securities which may not be readily marketable. The relative illiquidity of these securities may impair each Fund from disposing of them in a timely manner and at a fair price when it is necessary or desirable to do so. While maintaining oversight, each Fund's Board has delegated to DMC the day-to-day functions of determining whether individual securities are liquid for purposes of each Fund's limitation on investments in illiquid assets. Securities eligible for resale pursuant to Rule 144A, which are determined to be liquid, are not subject to the Funds' 15% limit on investments in illiquid securities. As of September 30, 2010, there were no Rule 144A securities and no securities have been determined to be illiquid under the Funds' Liquidity Procedures.

#### 10. Contractual Obligations

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

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

On September 13, 2007, shareholders of Delaware Investments National Municipal Income Fund (formerly Delaware Investments Florida Insured Municipal Income Fund) approved (1) the elimination of the Fund's fundamental investment policy that required the Fund to invest primarily in insured municipal securities issued by the State of Florida and (2) the adoption of a new fundamental investment policy permitting the Fund to invest in un-insured municipal securities issued by states other than Florida. The Fund's portfolio managers began to transition the Fund's portfolio to include un-insured municipal bonds issued by other states and territories on October 15, 2007. As of September 30, 2010, municipal bonds issued by the state of Florida constitute approximately 26% of the Fund's portfolio. These investments could make the Fund more sensitive to economic conditions in Florida than other more geographically diversified national municipal income funds.



## 12. Subsequent Event

On November 19, 2010, the Boards of Trustees/Directors of Delaware Investments National Municipal Income Fund (the "National Muni Fund") and Delaware Investments Arizona Municipal Income Fund, Inc. (the "Arizona Muni Fund") announced their decision to approve a proposal providing for the reorganization of the Arizona Muni Fund into the National Muni Fund. Under the terms of the proposed reorganization, the National Muni Fund would acquire substantially all of the Arizona Muni Fund's assets in exchange for newly issued shares of beneficial interest of the National Muni Fund. Those shares of the National Muni Fund would then be distributed pro rata to Arizona Muni Fund's shareholders, and the Arizona Muni Fund would subsequently be liquidated and dissolved.

Common shares of Arizona Muni Fund would be exchanged for common shares of National Muni Fund based on the relative net asset values of each Fund's common shares. These transactions, which are expected to be tax-free, are subject to the approval of the Agreement and Plan of Acquisition by each Fund's shareholders (which includes the National Muni Fund's approval of the issuance of new common shares).

Each Fund's Board plans to submit the proposals described above to each Fund's shareholders at a special meeting, currently expected to take place on February 25, 2011. Any solicitation of proxies by each Fund in connection with this shareholder meeting will be made only pursuant to proxy materials filed under the federal securities laws. It is anticipated that these proxy materials will be distributed to each Fund's shareholders in January 2011. There can be no assurance that the shareholders of each Fund will vote in favor of the proposals.



## Other Fund information (Unaudited)

### Delaware Investments Closed-End Municipal Bond Funds (the "Funds")

Change in Independent Registered Public Accounting Firm. Due to independence matters under the Securities and Exchange Commission's auditor independence rules relating to the January 4, 2010 acquisition of Delaware Investments (including DMC and DSC) by Macquarie Group, Ernst & Young LLP ("E&Y") has resigned as the independent registered public accounting firm for the Funds effective May 27, 2010. At a meeting held on February 18, 2010, the Board of Directors/Trustees of the Funds, upon recommendation of the Audit Committee, selected PricewaterhouseCoopers LLP ("PwC") to serve as the independent registered public accounting firm for the Funds for the fiscal year ending March 31, 2011. During the fiscal years ended March 31, 2010 and March 31, 2009, E&Y's audit reports on the financial statements of the Funds did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles. In addition, there were no disagreements between the Funds and E&Y on accounting principles, financial statements disclosures or audit scope, which, if not resolved to the satisfaction of E&Y, would have caused them to make reference to the disagreement in their reports. Neither the Funds nor anyone on their behalf has consulted with PwC at any time prior to its selection with respect to the application of accounting principles to a specified transaction, either completed or proposed or the type of audit opinion that might be rendered on the Funds' financial statements.

## About the organization

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

### Board of directors/trustees

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

Thomas L. Bennett  
Private Investor  
Rosemont, PA

John A. Fry  
President  
Drexel University  
Philadelphia, PA

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

Lucinda S. Landreth  
Former Chief Investment Officer  
Assurant, Inc.  
Philadelphia, PA

Ann R. Leven  
Consultant  
ARL Associates  
New York, NY

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

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

J. Richard Zecher  
Founder  
Investor Analytics  
Scottsdale, AZ

## Edgar Filing: Delaware Investments National Municipal Income Fund - Form N-CSR

### Your reinvestment options

Each of the Funds offers an automatic dividend reinvestment program. If you would like to reinvest dividends, and shares are registered in your name, contact BNY Mellon Shareowner Services at 800 851-9677. You will be asked to put your request in writing. If you have shares registered in "street" name, contact the broker/dealer holding the shares or your financial advisor.

### Affiliated officers

David F. Connor

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

Daniel V. Geatens

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

David P. O'Connor

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

Richard Salus

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

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

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

### Contact information

Investment manager

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

Principal office of the Funds

2005 Market Street  
Philadelphia, PA 19103-7057

Independent registered public  
accounting firm

PricewaterhouseCoopers LLP  
2001 Market Street  
Philadelphia, PA 19103

# Edgar Filing: Delaware Investments National Municipal Income Fund - Form N-CSR

Registrar and stock transfer  
agent  
BNY Mellon Shareowner Services  
480 Washington Blvd.  
Jersey City, NJ 07310  
800 851-9677

For securities dealers  
and financial institutions  
representatives  
800 362-7500

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

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

Number of recordholders as of  
September 30, 2010

Arizona Municipal Income Fund	50
Colorado Municipal Income Fund	113
Minnesota Municipal Income Fund II	549
National Municipal Income Fund	96
	31

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Item 2. Code of Ethics

Not applicable.

Item 3. Audit Committee Financial Expert

Not applicable.

Item 4. Principal Accountant Fees and Services

Not applicable.

Item 5. Audit Committee of Listed Registrants

Not applicable.

Item 6. Investments

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

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

Not applicable.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

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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.

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SIGNATURES

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

Name of Registrant: Delaware Investments® National Municipal Income Fund

/s/ PATRICK P. COYNE

By: Patrick P. Coyne

Title: Chief Executive Officer

Date: December 6, 2010

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

/s/ PATRICK P. COYNE

By: Patrick P. Coyne

Title: Chief Executive Officer

Date: December 6, 2010

/s/ RICHARD SALUS

By: Richard Salus

Title: Chief Financial Officer

Date: December 6, 2010

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