

Delaware Investments Colorado Municipal Income Fund, Inc.  
Form N-Q  
February 29, 2016

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

|   |   |
|---|---|
| Investment Company Act file number:                 | 811-07810   |
| Exact name of registrant as specified in charter:   | Delaware Investments® Colorado<br>Municipal Income Fund, Inc.         |
| Address of principal executive offices:             | 2005 Market Street<br>Philadelphia, PA 19103                          |
| Name and address of agent for service:              | David F. Connor, Esq.<br>2005 Market Street<br>Philadelphia, PA 19103 |
| Registrant's telephone number, including area code: | (800) 523-1918  |
| Date of fiscal year end:                            | March 31  |
| Date of reporting period:                           | December 31, 2015   |

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**Item 1. Schedule of Investments.****Schedule of investments**

**Delaware Investments® Colorado Municipal Income Fund, Inc.**  
December 31, 2015 (Unaudited)

|                                      | Principal<br>Amount° | Value<br>(U.S. \$) |
|--------------------------------------|----------------------|--------------------|
| <b>Municipal Bonds 138.77%</b>       |                      |                    |
| Corporate-Backed Revenue Bonds 4.65% |                      |                    |
| Public Authority for Colorado        |                      |                    |
| Energy Revenue                       |                      |                    |
| 6.25% 11/15/28                       | 865,000              | \$ 1,109,778       |
| Public Authority of Colorado         |                      |                    |
| Energy Natural Gas                   |                      |                    |
| Revenue                              |                      |                    |
| Series 2008                          |                      |                    |
| 6.50% 11/15/38                       | 1,750,000            | 2,375,783          |
|                                      |                      | 3,485,561          |
| Education Revenue Bonds 26.91%       |                      |                    |
| Colorado Educational &               |                      |                    |
| Cultural Facilities Authority        |                      |                    |
| Revenue                              |                      |                    |
| 144A 5.00% 7/1/36 #                  | 500,000              | 514,865            |
| 5.125% 11/1/49                       | 765,000              | 780,308            |
| 144A 5.25% 7/1/46 #                  | 500,000              | 515,225            |
| (Academy Charter School              |                      |                    |
| Project)                             |                      |                    |
| 5.50% 5/1/36 (SGI)                   | 1,720,000            | 1,726,158          |
| (Charter School - Atlas              |                      |                    |
| Preparatory School) 144A             |                      |                    |
| 5.25% 4/1/45 #                       | 700,000              | 689,647            |
| (Charter School -                    |                      |                    |
| Community Leadership                 |                      |                    |
| Academy) 7.45% 8/1/48                | 500,000              | 596,825            |
| (Charter School - Peak to            |                      |                    |
| Peak Charter)                        |                      |                    |
| 5.00% 8/15/34                        | 1,000,000            | 1,122,640          |
| (Improvement - Charter               |                      |                    |
| School - University Lab              |                      |                    |
| School Building) 144A                |                      |                    |
| 5.00% 12/15/45 #                     | 500,000              | 499,990            |
| (Johnson & Wales                     |                      |                    |
| University) Series A                 |                      |                    |
| 5.25% 4/1/37                         | 900,000              | 1,020,987          |
| (Liberty Charter School)             |                      |                    |
| Series A 5.00% 1/15/44               | 1,000,000            | 1,087,490          |
| (Littleton Charter School            |                      |                    |

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|  |  |           |            |
|--|--|-----------|------------|
| Project)                               |  |           |            |
| 4.375% 1/15/36 (AGC)                   |  | 1,200,000 | 1,208,352  |
| (Skyview Charter School)               |  |           |            |
| 144A 5.50% 7/1/49 #                    |  | 750,000   | 793,065    |
| (Student Housing - Campus              |  |           |            |
| Village Apartments)                    |  |           |            |
| 5.00% 6/1/23                           |  | 1,065,000 | 1,142,606  |
| Colorado School of Mines               |  |           |            |
| Series B 5.00% 12/1/42                 |  | 2,500,000 | 2,816,800  |
| Colorado State Board of                |  |           |            |
| Governors                              |  |           |            |
| (University Enterprise                 |  |           |            |
| System) Series A                       |  |           |            |
| 5.00% 3/1/39                           |  | 10,000    | 11,024     |
| University of Colorado                 |  |           |            |
| 5.00% 6/1/31                           |  | 3,185,000 | 3,678,038  |
| Series A 5.00% 6/1/33                  |  | 1,000,000 | 1,161,650  |
| Western State College                  |  |           |            |
| 5.00% 5/15/34                          |  | 750,000   | 819,023    |
|  |  |           | 20,184,693 |
| <b>Electric Revenue Bonds 3.40%</b>    |  |           |            |
| Colorado Springs Utilities             |  |           |            |
| System Improvement                     |  |           |            |
| Revenue                                |  |           |            |
| Series A 5.00% 11/15/45                |  | 750,000   | 873,143    |
| Platte River Power Authority           |  |           |            |
| Series HH 5.00% 6/1/28                 |  | 1,500,000 | 1,678,620  |
|  |  |           | 2,551,763  |
| <b>Healthcare Revenue Bonds 44.41%</b> |  |           |            |
| Aurora Hospital Revenue                |  |           |            |
| (Children s Hospital                   |  |           |            |
| Association Project)                   |  |           |            |
| Series A 5.00% 12/1/40                 |  | 4,000,000 | 4,359,640  |
| Colorado Health Facilities             |  |           |            |
| Authority Revenue                      |  |           |            |
| (Catholic Health Initiatives)          |  |           |            |
| Series A 5.00% 7/1/39                  |  | 750,000   | 806,460    |
| Series A 5.00% 2/1/41                  |  | 2,400,000 | 2,613,456  |
| Series A 5.25% 2/1/33                  |  | 1,625,000 | 1,803,019  |
| Series A 5.25% 1/1/45                  |  | 1,000,000 | 1,118,680  |
| Series C-1                             |  |           |            |
| 5.10% 10/1/41 (AGM)                    |  | 1,000,000 | 1,054,450  |
| Series D 6.125% 10/1/28                |  | 750,000   | 836,123    |
| (Christian Living                      |  |           |            |
| Community Project)                     |  |           |            |
| 6.375% 1/1/41                          |  | 615,000   | 667,583    |
| Series A 5.75% 1/1/37                  |  | 885,000   | 898,124    |
| (Covenant Retirement                   |  |           |            |
| Communities Inc.)                      |  |           |            |
| 5.00% 12/1/35                          |  | 1,000,000 | 1,088,020  |
| Series A 5.75% 12/1/36                 |  | 1,000,000 | 1,123,840  |



# Schedule of investments

Delaware Investments® Colorado Municipal Income Fund, Inc. (Unaudited)

|                                      | Principal<br>Amount° | Value<br>(U.S. \$) |
|--------------------------------------|----------------------|--------------------|
| <b>Municipal Bonds</b> (continued)   |                      |                    |
| Healthcare Revenue Bonds (continued) |                      |                    |
| Colorado Health Facilities           |                      |                    |
| Authority Revenue                    |                      |                    |
| (Evangelical Lutheran Good           |                      |                    |
| Samaritan Society)                   |                      |                    |
| 5.00% 6/1/28                         | 1,250,000            | \$ 1,407,213       |
| 5.50% 6/1/33                         | 2,000,000            | 2,305,080          |
| 5.625% 6/1/43                        | 1,000,000            | 1,158,590          |
| (Healthcare Facilities -             |                      |                    |
| American Baptist)                    |                      |                    |
| 8.00% 8/1/43                         | 500,000              | 599,445            |
| (Mental Health Center of             |                      |                    |
| Denver Project) Series A             |                      |                    |
| 5.75% 2/1/44                         | 1,500,000            | 1,708,035          |
| (National Jewish Health              |                      |                    |
| Project) 5.00% 1/1/27                |                      |                    |
| 5.00% 1/1/27                         | 500,000              | 523,585            |
| (Sisters of Charity of               |                      |                    |
| Leavenworth Health                   |                      |                    |
| System) Series A                     |                      |                    |
| 5.00% 1/1/40                         | 4,750,000            | 5,246,993          |
| (Total Long-Term Care)               |                      |                    |
| Series A 6.00% 11/15/30              | 400,000              | 454,100            |
| Sunny Vista Living Center            |                      |                    |
| Series A 6.25% 12/1/50               | 505,000              | 514,302            |
| Vail Valley Medical Center           |                      |                    |
| Project 5.00% 1/15/35                | 1,250,000            | 1,448,275          |
| Denver Health & Hospital             |                      |                    |
| Authority Health Care                |                      |                    |
| Revenue                              |                      |                    |
| (Recovery Zone Facilities)           |                      |                    |
| 5.625% 12/1/40                       | 750,000              | 827,625            |
| University of Colorado               |                      |                    |
| Hospital Authority Revenue           |                      |                    |
| Series A 6.00% 11/15/29              | 650,000              | 748,755            |
|                                      |                      | 33,311,393         |
| Lease Revenue Bonds 5.86%            |                      |                    |
| Aurora Certificates of               |                      |                    |
| Participation                        |                      |                    |
| Series A 5.00% 12/1/30               | 630,000              | 707,742            |
| Colorado Building Excellent          |                      |                    |
| Schools Today                        |                      |                    |
| Certificates of Participation        |                      |                    |
| Series G 5.00% 3/15/32               | 2,000,000            | 2,292,400          |

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|   |                    |                    |
|---|--------------------|--------------------|
| Pueblo County Certificates of Participation<br>(County Judicial Complex Project)<br>5.00% 9/15/42 (AGM) | 1,250,000          | 1,396,750          |
|   |                    | 4,396,892          |
| <b>Local General Obligation Bonds 13.41%</b>  |                    |                    |
| Adams & Weld Counties<br>School District No 27J<br>Brighton<br>4.00% 12/1/30                            | 700,000            | 778,106            |
| Adams 12 Five Star Schools<br>5.00% 12/15/25  | 250,000            | 315,405            |
| Arapahoe County School<br>District No. 1 Englewood<br>5.00% 12/1/31                                     | 2,935,000          | 3,449,476          |
| Beacon Point Metropolitan<br>District<br>5.00% 12/1/30 (AGM)  | 600,000            | 698,436            |
| Boulder Larimer & Weld<br>Counties St. Vrain Valley<br>School District No. Re-1J<br>5.00% 12/15/33      | 750,000            | 833,535            |
| Denver City & County<br>(Better Denver & Zoo)<br>Series A 5.00% 8/1/25                                  | 650,000            | 727,207            |
| Denver International Business<br>Center<br>Metropolitan District No. 1<br>5.00% 12/1/30                 | 650,000            | 688,851            |
| Eaton Area Park & Recreation<br>District<br>5.25% 12/1/34<br>5.50% 12/1/38                              | 190,000<br>245,000 | 198,373<br>260,001 |
| Jefferson County School<br>District No. R-1<br>5.25% 12/15/24   | 750,000            | 949,927            |
| Pueblo County School District<br>No. 70<br>5.00% 12/1/31  | 250,000            | 283,857            |
| Rangely Hospital District<br>6.00% 11/1/26  | 750,000            | 872,085            |
|   |                    | 10,055,259         |
| <b>Pre-Refunded/Escrowed to Maturity Bonds 4.47%</b>  |                    |                    |
| Adams & Arapahoe Counties<br>Joint School District No.<br>28J (Aurora)<br>6.00% 12/1/28-18§             | 600,000            | 685,920            |
| Colorado State Board of<br>Governors<br>Series A 5.00% 3/1/39-19§                                       | 690,000            | 772,414            |
| Glendale Certificates of<br>Participation<br>5.00% 12/1/25-16 (SGI)§                                    | 1,000,000          | 1,041,030          |

2 NQ-OV2 [12/15] 2/16 (16089)

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(Unaudited)

|   | Principal<br>Amount <sup>o</sup>               | Value<br>(U.S. \$)                             |
|---|--|--|
| <b>Municipal Bonds</b> (continued)  |  |  |
| Pre-Refunded/Escrowed to Maturity Bonds (continued)   |  |  |
| University of Colorado<br>Series A<br>5.375% 6/1/38-19§   | 750,000  | \$856,717<br>3,356,081                         |
| Special Tax Revenue Bonds<br>25.04%   |  |  |
| Central Platte Valley<br>Metropolitan District<br>5.00% 12/1/43   | 375,000  | 390,049  |
| Commerce City<br>5.00% 8/1/44 (AGM)   | 1,000,000                                      | 1,134,140                                      |
| Denver Convention Center<br>Hotel Authority Revenue<br>5.00% 12/1/35 (SGI)  | 2,875,000                                      | 2,923,530                                      |
| Fountain Urban Renewal<br>Authority Tax Increment<br>Revenue<br>(Academy Highlands<br>Project) Series A<br>5.50% 11/1/44  | 1,405,000                                      | 1,457,898                                      |
| Guam Government Business<br>Privilege Tax Revenue<br>Series A 5.125% 1/1/42<br>Series A 5.25% 1/1/36  | 435,000<br>565,000                             | 478,143<br>628,754                             |
| Regional Transportation<br>District Revenue<br>Series A 5.375% 6/1/31<br>(Denver Transit Partners)<br>6.00% 1/15/41<br>(FasTracks Project)<br>Series A<br>4.50% 11/1/36 (AGM)<br>Series A 5.00% 11/1/38 | 460,000<br>2,175,000<br>1,500,000<br>4,085,000 | 525,518<br>2,452,095<br>1,574,955<br>4,663,272 |
| Sterling Ranch Community<br>Authority Board<br>Series A 5.75% 12/1/45   | 525,000  | 525,761  |
| Tallyns Reach Metropolitan<br>District No. 3<br>(Limited Tax Convertible)<br>5.125% 11/1/38   | 295,000  | 313,538  |
| Thornton Development<br>Authority<br>East 144th Avenue & I-25<br>Project<br>Series B 4.00% 12/1/37  | 350,000  | 357,423  |

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|   |           |                      |
|---|-----------|----------------------|
| Series B 5.00% 12/1/35  | 265,000   | 297,370              |
| Series B 5.00% 12/1/36  | 440,000   | 491,951              |
| Virgin Islands Public Finance Authority<br>(Matching Fund Senior Lien)  |           |                      |
| 5.00% 10/1/29 (AGM)   | 500,000   | 565,450              |
|   |           | 18,779,847           |
| Transportation Revenue Bonds 7.80%<br>Colorado High Performance<br>Transportation Enterprise<br>Revenue<br>(Senior U.S. 36 & I-25<br>Managed Lanes) |           |                      |
| 5.75% 1/1/44 (AMT)  | 1,110,000 | 1,197,368            |
| Denver City & County Airport<br>System Revenue  |           |                      |
| Series A 5.25% 11/15/36   | 750,000   | 851,437              |
| Series B 5.00% 11/15/28   | 1,000,000 | 1,182,740            |
| Series B 5.00% 11/15/37   | 2,000,000 | 2,273,260            |
| E-470 Public Highway<br>Authority   |           |                      |
| Series C 5.25% 9/1/25   | 310,000   | 348,338              |
|   |           | 5,853,143            |
| Water & Sewer Revenue Bonds 2.82%<br>City of Aurora Water Revenue<br>First Lien Series A  |           |                      |
| 5.00% 8/1/36 (AMBAC)  | 2,000,000 | 2,113,120            |
|   |           | 2,113,120            |
| <b>Total Municipal Bonds</b><br>(cost \$95,725,440)   |           | <b>104,087,752</b>   |
| <b>Total Value of Securities 138.77%</b><br>(cost \$95,725,440)   |           | <b>104,087,752</b>   |
| <b>Liquidation Value of Preferred Stock (40.00%)</b>  |           | <b>(30,000,000 )</b> |
| <b>Receivables and Other Assets Net of Liabilities 1.23%</b>  |           | <b>919,811</b>       |
| <b>Net Assets Applicable to 4,837,100 Shares Outstanding 100.00%</b>  |           | <b>\$75,007,563</b>  |

(continues) NQ-OV2 [12/15] 2/16 (16089) 3

## Schedule of investments

Delaware Investments® Colorado Municipal Income Fund, Inc. (Unaudited)

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# Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. At Dec. 31, 2015, the aggregate value of Rule 144A securities was \$3,012,792, which represents 4.02% of the Fund's net assets.

° Principal amount shown is stated in U.S. dollars unless noted that the security is denominated in another currency.

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.

### Summary of abbreviations:

AGC Insured by Assured Guaranty Corporation

AGM Insured by Assured Guaranty Municipal Corporation

AMBAC Insured by AMBAC Assurance Corporation

AMT Subject to Alternative Minimum Tax

SIG Insured by Syncora Guarantee Inc.

4 NQ-OV2 [12/15] 2/16 (16089)

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## Notes

Delaware Investments® Colorado Municipal Income Fund, Inc.  
December 31, 2015 (Unaudited)

### 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 Delaware Investments Colorado Municipal Income Fund, Inc. (Fund). This report covers the period of time since the Fund's last fiscal year end.

**Security Valuation** Debt securities are valued based upon valuations provided by an independent pricing service or broker and reviewed by management. To the extent current market prices are not available, the pricing service may take into account developments related to the specific security, as well as transactions in comparable securities. Valuations for fixed income securities utilize matrix systems, which reflect such factors as security prices, yields, maturities, and ratings, and are supplemented by dealer and exchange quotations. Generally, other securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith under the direction of the Fund's Board of Directors/Trustees (Board). In determining whether market quotations are readily available or fair valuation will be used, various factors will be taken into consideration, such as market closures or suspension of trading in a security.

### 2. Investments

U.S. GAAP defines fair value as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date 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. The 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. (Examples: equity securities, open-end investment companies, futures contracts, exchange-traded options contracts)

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

Level 3 Significant unobservable inputs, including the Fund's own assumptions used to determine the fair value of investments. (Examples: broker-quoted securities, fair valued securities)

Level 3 investments are valued using significant unobservable inputs. The Fund may also use an income-based valuation approach in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Valuations may also be based upon current market prices of securities that are comparable in coupon, rating, maturity, and industry. The derived value of a Level 3 investment may not represent the value which is received upon disposition and this could impact the results of operations.

The following table summarizes the valuation of the Fund's investments by fair value hierarchy levels as of Dec. 31, 2015:

Securities

Level 2

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Municipal Bonds

\$104,087,752

During the period ended Dec. 31, 2015, there were no transfers between Level 1 investments, Level 2 investments, or Level 3 investments that had a material impact to the Fund. The Fund's policy is to recognize transfers between levels at the beginning of the reporting period.

(continues) NQ-OV2 [12/15] 2/16 (16089) 5

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## Notes

December 31, 2015 (Unaudited)

### 3. Subsequent Events

On January 22, 2016, Delaware Investments Colorado Municipal Income Fund, Inc. (the Fund) successfully issued \$30,000,000 of Variable Rate MuniFund Term Preferred ( VMTP ) shares with a \$100,000 liquidation value per share in a privately negotiated offering. The net proceeds from the offering were used to redeem the Series 2016 VMTP shares previously outstanding. The VMTP shares were offered to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933.

The Fund is obligated to redeem its VMTP shares on February 1, 2021, unless earlier redeemed or repurchased by the Fund. VMTP shares are subject to optional and mandatory redemption in certain circumstances. The Fund may be obligated to redeem certain of the VMTP shares if the Fund fails to maintain certain asset coverage and leverage ratio requirements and such failures are not cured by the applicable cure date. The redemption price per share is equal to the sum of the liquidation value per share plus any accumulated but unpaid dividends. Dividends on the VMTP shares are set weekly, subject to adjustments in certain circumstances.

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

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

For financial reporting purposes, the VMTP shares are considered debt of the issuer; therefore, the liquidation value which approximates fair value of the VMTP share is recorded as a liability in the statements of assets and liabilities. Dividends accrued and paid on the VMTP shares are included as a component of interest expense in the statements of operations. The VMTP shares are treated as equity for legal and tax purposes. Dividends paid to holders of the VMTP shares are generally classified as tax-exempt income for tax-reporting purposes.

Management has determined that no additional material events or transactions occurred subsequent to Dec. 31, 2015 that would require recognition or disclosure in the Fund's Schedule of investments.

6 NQ-OV2 [12/15] 2/16 (16089)

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**Item 2. 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 registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits.**

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2(a)), exactly as set forth below:

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