

DELAWARE INVESTMENTS MINNESOTA MUNICIPAL INCOME FUND III INC

Form N-CSR

December 08, 2005

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:	811-07938
Exact name of registrant as specified in charter:	Delaware Investments Minnesota Municipal I
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, 2005

Item 1. Reports to Stockholders

CLOSED END

Delaware
Investments(R)

A member of Lincoln Financial Group

SEMIANNUAL REPORT SEPTEMBER 30, 2005

DELAWARE INVESTMENTS CLOSED-END

MUNICIPAL BOND FUNDS

[LOGO] POWERED BY RESEARCH(R)

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DIVIDEND REINVESTMENT PLANS

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

Under the current policies of Delaware Investments Arizona Municipal Income Fund, Delaware Investments Florida Insured Municipal Income Fund, Delaware Investments Minnesota Municipal Income Fund, and Delaware Investments Minnesota Municipal Income Fund II, all distributions of net investment income and capital gains to common stock shareholders are automatically reinvested in additional shares unless shareholders elect to receive all dividends and other distributions in cash paid by check mailed directly to shareholders by the dividend plan agent. Under the current policies of Delaware Investments Colorado Insured Municipal Income Fund and Delaware Investments Minnesota Municipal Income Fund III, distributions of net investment income and capital gains to common shareholders will be paid in cash unless shareholders notify Mellon Investor Services, L.L.C. of their desire to participate in the dividend reinvestment program.

After each Fund declares a dividend or determines to make a capital gains

distribution, the plan agent will, as agent for the participants, receive the cash payment and use it to buy shares in the open market on the American Stock Exchange. The Funds will not issue any new shares in connection with the plan. You can contact Mellon at:

Mellon Investor Services, L.L.C.
Dividend Reinvestment Department
Overpeck Centre
85 Challenger Road
Ridgefield, NJ 07660
800 851-9677

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

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

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SECTOR ALLOCATIONS

As of September 30, 2005

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	152.47%
Airport Revenue Bonds	6.92%
City General Obligation Bonds	1.16%
Convention Center/Auditorium/Hotel Revenue Bonds	2.31%
Dedicated Tax & Fees Revenue Bonds	6.93%
Escrowed to Maturity Bonds	10.93%
Higher Education Revenue Bonds	8.28%
Hospital Revenue Bonds	19.25%
Miscellaneous Revenue Bonds	3.55%
Municipal Lease Revenue Bonds	10.73%
Pre-Refunded Bonds	26.40%
Public Power Revenue Bonds	3.47%
School District General Obligation Bonds	17.36%
School District Revenue Bonds	2.42%
Single Family Housing Revenue Bonds	3.42%
Territorial Revenue Bonds	23.89%
Water & Sewer Revenue Bonds	5.45%
TOTAL MARKET VALUE OF SECURITIES	152.47%
RECEIVABLES AND OTHER ASSETS NET OF LIABILITIES	3.05%
LIQUIDATION VALUE OF PREFERRED STOCK	(55.52%)
TOTAL NET ASSETS	100.00%

DELAWARE INVESTMENTS COLORADO INSURED MUNICIPAL INCOME FUND, INC.

PERCENTAGE

SECTOR	OF NET ASSETS
MUNICIPAL BONDS	149.98%
Airport Revenue Bonds	10.33%
City General Obligation Bonds	2.75%
Continuing Care/Retirement Revenue Bonds	3.54%
Convention Center/Auditorium/Hotel Revenue Bonds	4.09%
Dedicated Tax & Fees Revenue Bonds	3.73%
Higher Education Revenue Bonds	24.34%
Hospital Revenue Bonds	1.89%
Municipal Lease Revenue Bonds	14.15%
Parking Revenue Bonds	3.53%
Political Subdivision General Obligation Bonds	6.25%
Pre-Refunded Bonds	43.33%
School District General Obligation Bonds	5.35%
School District Revenue Bonds	1.40%
Turnpike/Toll Road Revenue Bonds	12.84%
Water & Sewer Revenue Bonds	12.46%
TOTAL MARKET VALUE OF SECURITIES	149.98%
RECEIVABLES AND OTHER ASSETS NET OF LIABILITIES	2.72%
LIQUIDATION VALUE OF PREFERRED STOCK	(52.70%)
TOTAL NET ASSETS	100.00%

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SECTOR ALLOCATIONS As of September 30, 2005
(CONTINUED)

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

DELAWARE INVESTMENTS FLORIDA INSURED MUNICIPAL INCOME FUND

SECTOR	PERCENTAGE OF NET ASSETS
MUNICIPAL BONDS	152.00%
Airport Revenue Bonds	9.17%
Dedicated Tax & Fees Revenue Bonds	24.69%
Higher Education Revenue Bonds	3.48%
Hospital Revenue Bonds	18.78%
Miscellaneous Revenue Bonds	2.83%
Multifamily Housing Revenue Bonds	23.06%
Municipal Lease Revenue Bonds	9.81%
Ports & Harbors Revenue Bonds	2.81%
Pre-Refunded Bonds	24.63%
Public Power Revenue Bonds	5.58%
State General Obligation Bonds	5.69%
Tax Increment/Special Assessment Bonds	0.83%
Turnpike/Toll Road Revenue Bonds	2.83%
Water & Sewer Revenue Bonds	17.81%
TOTAL MARKET VALUE OF SECURITIES	152.00%
RECEIVABLES AND OTHER ASSETS NET OF LIABILITIES	2.19%

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LIQUIDATION VALUE OF PREFERRED STOCK	(54.19%)

TOTAL NET ASSETS	100.00%

DELAWARE INVESTMENTS MINNESOTA MUNICIPAL INCOME FUND, INC.

SECTOR	PERCENTAGE OF NET ASSETS

MUNICIPAL BONDS	150.87%

Airport Revenue Bonds	10.28%
City General Obligation Bonds	4.10%
Continuing Care/Retirement Revenue Bonds	2.42%
Corporate-Backed Revenue Bonds	4.12%
Escrowed to Maturity Bonds	13.44%
Higher Education Revenue Bonds	5.72%
Hospital Revenue Bonds	13.82%
Miscellaneous Revenue Bonds	7.13%
Multifamily Housing Revenue Bonds	5.44%
Municipal Lease Revenue Bonds	7.39%
Parking Revenue Bonds	1.83%
Political Subdivision General Obligation Bonds	8.82%
Pre-Refunded Bonds	16.50%
Public Power Revenue Bonds	27.64%
School District General Obligation Bonds	15.70%
Single Family Housing Revenue Bonds	1.90%
State General Obligation Bonds	3.22%
Tax Increment/Special Assessment Bonds	1.40%

TOTAL MARKET VALUE OF SECURITIES	150.87%

RECEIVABLES AND OTHER ASSETS NET OF LIABILITIES	1.38%

LIQUIDATION VALUE OF PREFERRED STOCK	(52.25%)

TOTAL NET ASSETS	100.00%

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SECTOR ALLOCATIONS As of September 30, 2005
(CONTINUED)

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

DELAWARE INVESTMENTS MINNESOTA MUNICIPAL INCOME FUND II, INC.

SECTOR	PERCENTAGE OF NET ASSETS

MUNICIPAL BONDS	152.00%

Airport Revenue Bonds	11.81%
City General Obligation Bonds	3.83%
Corporate-Backed Revenue Bonds	4.18%
Escrowed to Maturity Bonds	15.20%
Higher Education Revenue Bonds	11.15%
Hospital Revenue Bonds	17.24%
Miscellaneous Revenue Bonds	2.65%
Multifamily Housing Revenue Bonds	7.97%

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Municipal Lease Revenue Bonds	11.20%
Parking Revenue Bonds	1.23%
Political Subdivision General Obligation Bonds	7.70%
Pre-Refunded Bonds	22.15%
Public Power Revenue Bonds	13.85%
School District General Obligation Bonds	12.98%
Single Family Housing Revenue Bonds	2.46%
State General Obligation Bonds	4.37%
Tax Increment/Special Assessment Bonds	0.49%
Territorial General Obligation Bonds	1.06%
Territorial Revenue Bonds	0.48%

SHORT-TERM INVESTMENTS	0.92%

TOTAL MARKET VALUE OF SECURITIES	152.92%

RECEIVABLES AND OTHER ASSETS NET OF LIABILITIES	2.00%

LIQUIDATION VALUE OF PREFERRED STOCK	(54.92%)

TOTAL NET ASSETS	100.00%

DELAWARE INVESTMENTS MINNESOTA MUNICIPAL INCOME FUND III, INC.

SECTOR	PERCENTAGE OF NET ASSETS

MUNICIPAL BONDS	155.77%

Airport Revenue Bonds	9.56%
City General Obligation Bonds	5.02%
Continuing Care/Retirement Revenue Bonds	7.35%
Corporate-Backed Revenue Bonds	7.48%
Escrowed to Maturity Bonds	12.09%
Higher Education Revenue Bonds	5.15%
Hospital Revenue Bonds	18.93%
Miscellaneous Revenue Bonds	1.00%
Multifamily Housing Revenue Bonds	7.61%
Municipal Lease Revenue Bonds	12.49%
Parking Revenue Bonds	6.01%
Political Subdivision General Obligation Bonds	9.57%
Pre-Refunded Bonds	18.11%
Public Power Revenue Bonds	24.64%
School District General Obligation Bonds	4.07%
Single Family Housing Revenue Bonds	2.53%
Territorial Revenue Bonds	4.16%

TOTAL MARKET VALUE OF SECURITIES	155.77%

RECEIVABLES AND OTHER ASSETS NET OF LIABILITIES	1.85%

LIQUIDATION VALUE OF PREFERRED STOCK	(57.62%)

TOTAL NET ASSETS	100.00%

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STATEMENTS OF NET ASSETS DELAWARE INVESTMENTS ARIZONA MUNICIPAL INCOME FUND, INC.
September 30, 2005 (Unaudited)

Principal Market

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	Amount	Value
MUNICIPAL BONDS - 152.47%		
Airport Revenue Bonds - 6.92%		
Phoenix Civic Improvement Corporation		
Airport Revenue		
Senior Lien Series A 5.00% 7/1/25 (FSA)	\$1,000,000	\$1,028,000
Series B 5.25% 7/1/27 (FGIC) (AMT)	2,000,000	2,088,740

		3,116,740

City General Obligation Bonds - 1.16%		
DC Ranch Community Facilities		
5.00% 7/15/27 (AMBAC)	500,000	523,100

		523,100

Convention Center/Auditorium/Hotel Revenue Bonds - 2.31%		
Arizona Tourism & Sports Authority Tax		
Revenue Multipurpose Stadium Facilities		
Series A 5.00% 7/1/31 (MBIA)	1,000,000	1,041,990

		1,041,990

Dedicated Tax & Fees Revenue Bonds - 6.93%		
Glendale Municipal Property Corporation		
5.00% 7/1/33 (AMBAC)	3,000,000	3,119,970

		3,119,970

Escrowed to Maturity Bonds - 10.93%		
Puerto Rico Commonwealth Infrastructure		
Financing Series A 5.50% 10/1/40	4,500,000	4,922,640

		4,922,640

Higher Education Revenue Bonds - 8.28%		
Arizona State University Certificates of		
Participation (Research Infrastructure		
Project) 5.00% 9/1/30 (AMBAC)	1,000,000	1,046,460
Northern Arizona University Certificates of		
Participation (Northern Arizona University		
Research Project) 5.00% 9/1/30 (AMBAC)	1,000,000	1,047,360
South Campus Group Student Housing		
Revenue (Arizona State University South		
Campus Project) 5.625% 9/1/35 (MBIA)	1,000,000	1,103,270
University of Arizona Certificates of		
Participation (University of Arizona Project)		
Series B 5.125% 6/1/22 (AMBAC)	500,000	530,900

		3,727,990

Hospital Revenue Bonds - 19.25%		
Maricopa County Industrial		
Development Authority		
(Catholic Healthcare West)		
Series A 5.50% 7/1/26	430,000	454,579
(Mayo Clinic Hospital)		
5.25% 11/15/37	2,000,000	2,097,520
Mohave County Industrial Development		
Authority (Chris/Silver Ridge)		

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6.375% 11/1/31 (GNMA)	260,000	270,616
Scottsdale Industrial Development Authority Hospital Revenue (Scottsdale Healthcare) 5.80% 12/1/31	1,000,000	1,071,800
Show Low Industrial Development Authority Hospital Revenue (Navapache Regional Medical Center) Series A 5.50% 12/1/17 (ACA)	1,600,000	1,665,216
University Medical Center Corporation Arizona Hospital Revenue 5.00% 7/1/33	1,000,000	1,003,790
	Principal Amount	Market Value
MUNICIPAL BONDS (continued)		
Hospital Revenue Bonds (continued)		
Yavapai County Industrial Development Authority (Yavapai Regional Medical Center) 5.25% 8/1/21 (RADIAN)	\$2,000,000	\$ 2,104,760

		8,668,281

Miscellaneous Revenue Bonds - 3.55%		
Arizona Student Loan Acquisition Authority Revenue Series A-1 5.90% 5/1/24 (AMT)	1,500,000	1,598,355

		1,598,355

Municipal Lease Revenue Bonds - 10.73%		
Greater Arizona Development Authority Infrastructure Revenue Series A 5.00% 8/1/22 (MBIA)	500,000	532,140
Nogales Development Authority 5.00% 6/1/30 (AMBAC)	500,000	521,990
Phoenix Civic Improvement Corporation Excise Tax Senior Lien (Municipal Courthouse Project) Series A 5.25% 7/1/24	1,000,000	1,064,680
Prescott Valley Property Corporation 5.00% 1/1/27 (FGIC)	500,000	520,155
Tucson Certificates of Participation 5.60% 7/1/11	1,100,000	1,141,822
Yuma Municipal Property Corporation 5.00% 7/1/25 (AMBAC)	1,000,000	1,048,790

		4,829,577

ss.Pre-Refunded Bonds - 26.40%		
Arizona School Facilities Board Certificates of Participation Series B 5.25% 9/1/19-14 (FSA)	1,000,000	1,114,000
Arizona School Facilities Board Revenue (State School Improvement) 5.00% 7/1/19-11	2,000,000	2,166,360
Arizona State Transportation Board Highway Revenue Refunding 5.75% 7/1/18-09	2,350,000	2,563,238
Arizona Water Infrastructure Finance Authority Revenue Water Quality		

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Series A 5.05% 10/1/20-11	1,500,000	1,632,090
Eagle Mountain Community Facilities		
District Series A 6.40% 7/1/17-06		
(Assured Gty)	1,500,000	1,554,270
Oro Valley Municipal Property Corporation		
Excise Tax 5.00% 7/1/20-11 (FGIC)	1,000,000	1,062,710
Puerto Rico Commonwealth Public		
Improvement Series A 5.125% 7/1/31-11	250,000	273,100
Southern Arizona Capital Facilities Finance		
Corporation (University of Arizona Project)		
5.00% 9/1/23-12 (MBIA)	1,150,000	1,250,890
Yuma Industrial Development Authority		
Hospital Revenue (Yuma Regional		
Medical Center) 5.00% 8/1/31-11 (FSA)	250,000	271,920

		11,888,578

Public Power Revenue Bonds - 3.47%		
Salt River Project Arizona Agricultural		
Improvement & Power District Electric		
System Revenue (Salt River Project)		
Series A 5.00% 1/1/31	1,500,000	1,561,410

		1,561,410

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STATEMENTS DELAWARE INVESTMENTS ARIZONA MUNICIPAL INCOME FUND, INC.
OF NET ASSETS (CONTINUED)

	Principal Amount	Market Value
MUNICIPAL BONDS (continued)		
School District General Obligation Bonds - 17.36%		
Maricopa County School District #6		
(Washington Elementary)		
Series A 5.375% 7/1/13 (FSA)	\$3,000,000	\$ 3,351,900
Maricopa County School District #6		
(Washington Elementary School		
Improvement Project of 2001) Series B		
5.00% 7/1/17 (FSA)	1,000,000	1,097,410
Maricopa County School District #38		
(Madison Elementary)		
5.00% 7/1/13 (FSA)	1,250,000	1,365,188
5.00% 7/1/14 (FSA)	825,000	904,200
Tempe Union High School District #213		
5.00% 7/1/14 (FSA)	1,000,000	1,096,000

		7,814,698

School District Revenue Bonds - 2.42%		
Coconino County Unified School District #8		
(Aid Revenue Project of 2004)		
Series A 5.00% 7/1/15 (MBIA)	1,000,000	1,088,970

		1,088,970

Single Family Housing Revenue Bonds - 3.42%		
Phoenix Industrial Development Authority		
Single Family Statewide		

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Series A 5.35% 6/1/20 (GNMA) (FNMA) (FHLMC) (AMT)	745,000	762,180
Series C 5.30% 4/1/20 (GNMA) (FNMA) (FHLMC) (AMT)	575,000	589,542
Pima County Industrial Development Authority Single Family Mortgage Revenue Series A 6.125% 11/1/33 (GNMA) (FNMA) (FHLMC) (AMT)	185,000	187,708

		1,539,430

Territorial Revenue Bonds - 23.89%		
Puerto Rico Commonwealth Highway & Transportation Authority Transportation Refunding Series D 5.00% 7/1/32 (FSA)	8,500,000	8,852,579
Puerto Rico Commonwealth Public Improvement Series A 5.125% 7/1/31	500,000	516,085
Virgin Islands Public Finance Authority Revenue Series A 6.125% 10/1/29 (ACA)	1,250,000	1,387,288

		10,755,952

Water & Sewer Revenue Bonds - 5.45%		
Phoenix Civic Improvement Corporation Wastewater Systems Revenue Junior Lien 5.00% 7/1/24 (FGIC)	1,590,000	1,672,903
5.00% 7/1/26 (FGIC)	750,000	782,895

		2,455,798

TOTAL MUNICIPAL BONDS (cost \$64,981,133)		68,653,479

TOTAL MARKET VALUE OF SECURITIES - 152.47% (cost \$64,981,133)		\$68,653,479
RECEIVABLES AND OTHER ASSETS		
NET OF LIABILITIES - 3.05%		1,374,264
LIQUIDATION VALUE OF PREFERRED STOCK - (55.52%)		(25,000,000)

NET ASSETS APPLICABLE TO 2,982,200 COMMON SHARES OUTSTANDING - 100.00%		\$45,027,743

Net Asset Value Per Common Share (\$45,027,743 / 2,982,200 Shares)		\$15.10

COMPONENTS OF NET ASSETS AT SEPTEMBER 30, 2005:		
Common stock, \$0.01 par value, 200 million shares authorized to the Fund		\$40,838,893
Undistributed net investment income		522,221
Accumulated net realized loss on investments		(5,717)
Net unrealized appreciation of investments		3,672,346

Total net assets		\$45,027,743
		=====

ss.Pre-Refunded Bonds are municipals that are generally backed or secured by U.S. Treasury bonds. For Pre-Refunded Bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 6 in "Notes to Financial Statements."

SUMMARY OF ABBREVIATIONS:

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

See accompanying notes

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STATEMENTS
 OF NET ASSETS (CONTINUED)

DELAWARE INVESTMENTS COLORADO INSURED
 MUNICIPAL INCOME FUND, INC.
 September 30, 2005 (Unaudited)

	Principal Amount	Market Value
MUNICIPAL BONDS - 149.98%		
Airport Revenue Bonds - 10.33%		
Denver City & County Airport Revenue Series E 5.25% 11/15/23 (MBIA)	\$7,500,000	\$ 7,839,675

		7,839,675

City General Obligation Bonds - 2.75%		
Bowles Metropolitan District 5.00% 12/1/33 (FSA)	2,000,000	2,086,360

		2,086,360

Continuing Care/Retirement Revenue Bonds - 3.54%		
Colorado Health Facilities Authority Revenue (Porter Place) Series A 6.00% 1/20/36 (GNMA)	2,515,000	2,690,396

		2,690,396

Convention Center/Auditorium/Hotel Revenue Bonds - 4.09%		
Denver Convention Center Series A 5.00% 12/1/33 (XLCA)	3,000,000	3,106,590

		3,106,590

Dedicated Tax & Fees Revenue Bonds - 3.73%		
Broomfield County Sales & Use Tax Revenue Refunding & Improvement Series A 5.00% 12/1/31 (AMBAC)	650,000	675,948
Golden Sales & Use Tax Revenue Improvement Series B 5.10% 12/1/20 (AMBAC)	1,000,000	1,070,050
Gypsum Sales Tax & General Funding Revenue 5.25% 6/1/30 (Assured Gty)	1,000,000	1,081,440

		-----	2,827,438	-----
Higher Education Revenue Bonds - 24.34%				
Boulder County Development Revenue				
(University Corporation for Atmospheric Research) 5.00% 9/1/26 (MBIA)				
	4,500,000		4,659,345	
Colorado Educational & Cultural Facilities Authority				
(Johnson & Wales University Project) Series A 5.00% 4/1/28 (XLCA)				
	3,000,000		3,116,880	
(University of Colorado Foundation Project) 5.00% 7/1/27 (AMBAC)				
	4,000,000		4,154,000	
(University of Northern Colorado) 5.00% 7/1/31 (MBIA)				
	2,500,000		2,577,250	
Colorado State Board of Governors (Colorado University) Series B 5.00% 3/1/35 (AMBAC)				
	1,800,000		1,871,712	
University of Northern Colorado Revenue Refunding 5.00% 6/1/35 (FSA)				
	2,000,000		2,097,580	

			18,476,767	-----
Hospital Revenue Bonds - 1.89%				
Colorado Health Facilities Authority (North Colorado Medical Center) 5.95% 5/15/12 (MBIA)				
	1,420,000		1,431,076	

			1,431,076	-----
Municipal Lease Revenue Bonds - 14.15%				
Arapahoe County Library District Certificates of Participation 5.70% 12/15/10 (MBIA)				
	2,000,000		2,063,580	
Aurora Certificates of Participation 5.50% 12/1/30 (AMBAC)				
	2,000,000		2,166,100	
Broomfield City & County Certificates of Participation 5.75% 12/1/24 (AMBAC)				
	1,500,000		1,628,580	
	Principal		Market	
	Amount		Value	
MUNICIPAL BONDS (continued)				
Municipal Lease Revenue Bonds (continued)				
Lakewood Certificates of Participation 5.375% 12/1/22 (AMBAC)				
	\$2,000,000		\$ 2,149,580	
Westminster Building Authority Certificates of Participation 5.25% 12/1/22 (MBIA)				
	1,555,000		1,673,460	
Westminster Certificates of Participation (Ice Centre Project) 5.40% 1/15/23 (AMBAC)				
	1,000,000		1,058,310	

			10,739,610	-----
Parking Revenue Bonds - 3.53%				
Auraria Higher Education Center Parking Facilities System Revenue 5.50% 4/1/26 (AMBAC)				
	2,485,000		2,675,699	

			2,675,699	

Political Subdivision General Obligation Bonds - 6.25%		
Arapahoe County Water & Wastewater		
Public Improvement District Refunding		
Series A 5.125% 12/1/32 (MBIA)	1,000,000	1,048,680
Centennial Downs Metropolitan District		
5.00% 12/1/28 (AMBAC)	1,000,000	1,051,360
Green Valley Ranch Metropolitan District		
5.75% 12/1/19 (AMBAC)	1,000,000	1,091,600
Sand Creek Metropolitan District Refunding		
& Improvement 5.00% 12/1/31 (XLCA)	500,000	519,500
Stonegate Village Metropolitan District		
Refunding & Improvement Series A		
5.50% 12/1/21 (FSA)	1,000,000	1,035,720

		4,746,860

ss.Pre-Refunded Bonds - 43.33%		
Archuleta & Hinsdale Counties School		
District #50JT 5.55% 12/1/20-06 (MBIA)	4,000,000	4,160,240
Burlingame Multifamily Housing Revenue		
Series A 6.00% 11/1/29-09 (MBIA)	2,290,000	2,548,404
City of Colorado Springs		
(Colorado Springs College Project)		
5.375% 6/1/32-09 (MBIA)	5,000,000	5,421,950
Colorado Educational & Cultural Facilities		
Authority (University of Denver Project)		
5.50% 3/1/21-11 (AMBAC)	3,200,000	3,535,296
Denver City & County Certificates of		
Participation Series B		
5.50% 12/1/25-10 (AMBAC)	2,000,000	2,224,840
Denver City & County Excise Tax Revenue		
(Colorado Convention Center Project)		
Series A 5.00% 9/1/20-11 (FSA)	6,500,000	7,021,299
Eagle County Certificates of Participation		
5.40% 12/1/18-09 (MBIA)	1,000,000	1,093,460
El Paso County School District #20		
5.625% 12/15/16-06 (AMBAC)	2,800,000	2,890,160
5.625% 12/15/16-06 (MBIA)	1,000,000	1,032,200
Pueblo County 5.80% 6/1/11-06 (MBIA)	1,405,000	1,431,231
Pueblo County (Library District Project)		
5.80% 11/1/19-09 (AMBAC)	1,395,000	1,523,507

		32,882,587

School District General Obligation Bonds - 5.35%		
Adams & Arapahoe Counties School		
District #28J 5.00% 12/1/22 (FSA)	2,000,000	2,115,940

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STATEMENTS
OF NET ASSETS (CONTINUED)

DELAWARE INVESTMENTS COLORADO INSURED
MUNICIPAL INCOME FUND, INC.

Principal Amount	Market Value
---------------------	-----------------

MUNICIPAL BONDS (continued)

School District General Obligation Bonds (continued)

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Douglas County School District #Re-1 (Douglas & Elbert Counties) 5.00% 12/15/21 (MBIA)	\$1,000,000	\$ 1,061,780
Weld & Adams Counties School District RE-3J 5.00% 12/15/24 (FSA)	830,000	879,900

		4,057,620

School District Revenue Bonds - 1.40% Colorado Educational & Cultural Facilities Authority Refunding (Bromley School) 5.25% 9/15/32 (XLCA)	1,000,000	1,065,020

		1,065,020

Turnpike/Toll Road Revenue Bonds - 12.84% E-470 Public Highway Authority Series A 5.75% 9/1/29 (MBIA) 5.75% 9/1/35 (MBIA) Northwest Parkway Public Highway Authority Series A 5.25% 6/15/41 (FSA)	3,000,000 1,700,000 4,250,000	3,341,550 1,893,545 4,511,673

		9,746,768

Water & Sewer Revenue Bonds - 12.46% Colorado Water Resources & Power Development Authority Small Water Resources Revenue Series A 5.80% 11/1/20 (FGIC) Colorado Water Resources & Power Development Authority Water Resources Revenue (Parker Water & Sanitation District) 5.125% 9/1/34 (MBIA) 5.25% 9/1/43 (MBIA) Lafayette Water Revenue Series A 5.00% 12/1/27 (MBIA) Ute Utility Water Conservancy District Water Revenue 5.75% 6/15/20 (MBIA)	2,000,000 1,500,000 2,000,000 1,100,000 2,155,000	2,206,780 1,585,125 2,136,700 1,152,118 2,377,633

		9,458,356

TOTAL MUNICIPAL BONDS (cost \$106,667,309)		113,830,822

TOTAL MARKET VALUE OF SECURITIES - 149.98% (cost \$106,667,309)		113,830,822
RECEIVABLES AND OTHER ASSETS		
NET OF LIABILITIES - 2.72%		2,064,154
LIQUIDATION VALUE OF PREFERRED STOCK - (52.70%)		(40,000,000)

NET ASSETS APPLICABLE TO 4,837,100 SHARES OUTSTANDING - 100.00%		\$75,894,976
		=====
Net Asset Value Per Common Share (\$75,894,976 / 4,837,100 Shares)		\$15.69

COMPONENTS OF NET ASSETS AT SEPTEMBER 30, 2005:
Common stock, \$0.01 par value, 200 million

shares authorized to the Fund	\$67,238,110
Undistributed net investment income	1,351,512
Accumulated net realized gain on investments	141,841
Net unrealized appreciation of investments	7,163,513

Total net assets	\$75,894,976
	=====

ss.Pre-Refunded Bonds are municipals that are generally backed or secured by U.S. Treasury bonds. For Pre-Refunded Bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 6 in "Notes to Financial Statements."

SUMMARY OF ABBREVIATIONS:

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

See accompanying notes

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STATEMENTS OF NET ASSETS (CONTINUED)

DELAWARE INVESTMENTS FLORIDA INSURED MUNICIPAL INCOME FUND September 30, 2005 (Unaudited)

	Principal Amount	Market Value
MUNICIPAL BONDS - 152.00%		
Airport Revenue Bonds - 9.17%		
Dade County Aviation Revenue		
Series 96B 5.60% 10/1/26 (MBIA)	\$1,000,000	\$1,040,570
Miami-Dade County Aviation Revenue		
(Miami International Airport) Series B		
5.00% 10/1/37 (FGIC)	2,250,000	2,342,678

		3,383,248

Dedicated Tax & Fees Revenue Bonds - 24.69%		
Flagler County Capital Improvements		
Revenue 5.00% 10/1/35 (MBIA)	1,000,000	1,049,370
Florida Department of Transportation		
5.00% 7/1/31 (FGIC)	1,525,000	1,590,057
Jacksonville Sales Tax Revenue		
5.00% 10/1/30 (MBIA)	1,500,000	1,567,875
Jacksonville Transportation Revenue		
5.25% 10/1/29 (MBIA)	2,000,000	2,138,520
Miami Beach Resort Tax Revenue		
5.50% 10/1/16 (AMBAC)	1,000,000	1,043,880
*Miami-Dade County Special Obligation		
(Capital Appreciation & Income)		
Series B 5.00% 10/1/35 (MBIA)	2,000,000	1,721,760

		9,111,462

Higher Education Revenue Bonds - 3.48%		

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Florida Agriculture & Mechanical University Revenue (Student Apartment Facility) 5.625% 7/1/21 (MBIA)	1,250,000	1,284,700 ----- 1,284,700 -----
Hospital Revenue Bonds - 18.78%		
Escambia County Health Facilities Authority (Florida Health Care Facilities - VHA Program) 5.95% 7/1/20 (AMBAC)	355,000	380,982
Lee County Memorial Health System Board of Directors Series A 5.00% 4/1/20 (FSA)	1,000,000	1,043,090
Miami-Dade County Public Facilities Revenue (Jackson Health Systems) Series A 5.00% 6/1/35 (MBIA)	1,500,000	1,562,970
Orange County Health Facilities Authority Revenue (Adventist Health Systems) 5.75% 11/15/25 (AMBAC) (Orlando Regional Healthcare) Series A 6.25% 10/1/18 (MBIA)	1,500,000 2,000,000	1,534,275 2,410,940 ----- 6,932,257 -----
Miscellaneous Revenue Bonds - 2.83%		
Florida State Municipal Loan (Council Revenue) Series A 5.00% 2/1/35	1,000,000	1,045,080 ----- 1,045,080 -----
Multifamily Housing Revenue Bonds - 23.06%		
Broward County Housing Finance Authority (St. Croix Apartments Project) Series A 5.45% 11/1/36 (FSA) (AMT)	935,000	965,659
Florida Housing Finance Agency (Homeowner Mortgage) Series 2 5.90% 7/1/29 (MBIA) (AMT) (Leigh Meadows Apartments) Series N 6.30% 9/1/36 (AMBAC) (AMT) (Woodbridge Apartments Project) Series L 6.05% 12/1/16 (AMBAC) (AMT) 6.25% 6/1/36 (AMBAC) (AMT)	680,000 2,510,000 1,120,000 1,500,000	704,691 2,585,927 1,156,019 1,548,855
	Principal Amount	Market Value
MUNICIPAL BONDS - 152.00%		
Multifamily Housing Revenue Bonds (continued)		
Volusia County Multifamily Housing Finance Authority (San Marco Apartments) Series A 5.60% 1/1/44 (FSA) (AMT)	\$1,500,000	\$1,548,750 ----- 8,509,901 -----
Municipal Lease Revenue Bonds - 9.81%		
Broward School Board Certificates of Participation Series A 5.25% 7/1/24 (FSA)	1,000,000	1,075,520
Orange County School Board Certificates of Participation Series A 5.00% 8/1/27 (MBIA)	1,250,000	1,298,650

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Palm Beach County School Board Certificates of Participation Series D 5.00% 8/1/28 (FSA)	1,200,000	1,244,556 ----- 3,618,726 -----
Ports & Harbors Revenue Bonds - 2.81% Florida Ports Financing Commission State Transportation Trust Fund 5.375% 6/1/27 (MBIA) (AMT)	1,000,000	1,035,520 ----- 1,035,520 -----
ss.Pre-Refunded Bonds - 24.63% Dade County School Board Certificates of Participation Series B 5.60% 8/1/17-06 (AMBAC)	1,000,000	1,032,270
Florida State Board of Education (Capital Outlay Public Education) Series C 6.00% 6/1/21-10 (FGIC)	2,000,000	2,252,500
Indian River County Water & Sewer Revenue 5.50% 9/1/16-06 (FGIC)	1,000,000	1,042,610
Sunrise Utility System Revenue Series A 5.75% 10/1/26-06 (AMBAC)	2,500,000	2,595,100
Tampa Utility Tax Improvement Series A 6.125% 10/1/19-09 (AMBAC)	1,000,000	1,117,680
Village Center Community Development District Recreational Revenue Series A 5.85% 11/1/16-06 (MBIA)	1,000,000	1,050,950 ----- 9,091,110 -----
Public Power Revenue Bonds - 5.58% JEA Electric Systems Revenue Series 3-A 5.00% 10/1/34 (FSA)	2,000,000	2,060,620 ----- 2,060,620 -----
State General Obligation Bonds - 5.69% Florida State Board Education Public Education Series C 5.00% 6/1/34 (AMBAC)	2,000,000	2,100,800 ----- 2,100,800 -----
Tax Increment/Special Assessment Bonds - 0.83% Julington Creek Plantation Community Development District Special Assessment 5.00% 5/1/29 (MBIA)	295,000	306,977 ----- 306,977 -----
Turnpike/Toll Road Revenue Bonds - 2.83% Miami-Dade County Expressway Authority Toll Systems Revenue Series B 5.00% 7/1/33 (FGIC)	1,000,000	1,044,980 ----- 1,044,980 -----

STATEMENTS
OF NET ASSETS (CONTINUED)

DELAWARE INVESTMENTS FLORIDA INSURED
MUNICIPAL INCOME FUND

	Principal Amount	Market Value
MUNICIPAL BONDS (continued)		
Water & Sewer Revenue Bonds - 17.81%		
Dade County Water & Sewer System Revenue 5.50% 10/1/25 (FGIC)	\$1,100,000	\$ 1,124,442
JEA Florida Water & Sewer Systems Revenue Sub-Second Crossover 5.00% 10/1/25 (MBIA)	1,000,000	1,052,180
Riviera Beach Utilities Special District Water & Sewer Revenue 5.00% 10/1/34 (FGIC)	1,200,000	1,251,684
Village Center Community Development District Utility Revenue 5.00% 10/1/36 (MBIA)	1,500,000	1,564,035
Winter Haven Utilities Systems Revenue Refunding & Improvement 5.00% 10/1/30 (MBIA)	1,500,000	1,581,510

		6,573,851

TOTAL MUNICIPAL BONDS (cost \$53,761,021)		56,099,232

TOTAL MARKET VALUE OF SECURITIES - 152.00% (cost \$53,761,021)		56,099,232
RECEIVABLES AND OTHER ASSETS		
NET OF LIABILITIES - 2.19%		808,728
LIQUIDATION VALUE OF PREFERRED STOCK - (54.19%)		(20,000,000)

NET ASSETS APPLICABLE TO 2,422,200 SHARES OUTSTANDING - 100.00%		\$36,907,960
		=====
Net Asset Value Per Common Share (\$36,907,960 / 2,422,200 Shares)		\$15.24

COMPONENTS OF NET ASSETS AT SEPTEMBER 30, 2005:

Common stock, \$0.01 par value, unlimited shares authorized to the Fund	\$33,361,389
Undistributed net investment income	585,943
Accumulated net realized gain on investments	622,417
Net unrealized appreciation of investments	2,338,211

Total net assets	\$36,907,960
	=====

ss.Pre-Refunded Bonds are municipals that are generally backed or secured by U.S. Treasury bonds. For Pre-Refunded Bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 6 in "Notes to Financial Statements."

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

SUMMARY OF ABBREVIATIONS:

AMBAC - Insured by the AMBAC Assurance Corporation
 AMT - Subject to Alternative Minimum Tax
 FGIC - Insured by the Financial Guaranty Insurance Company
 FSA - Insured by Financial Security Assurance
 MBIA - Insured by the Municipal Bond Insurance Association

See accompanying notes

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STATEMENTS
 OF NET ASSETS (CONTINUED)

DELAWARE INVESTMENTS MINNESOTA MUNICIPAL
 INCOME FUND, INC.
 September 30, 2005 (Unaudited)

	Principal Amount	Market Value
MUNICIPAL BONDS - 150.87%		
Airport Revenue Bonds - 10.28%		
Minneapolis/St. Paul Metropolitan		
Airports Commission Revenue		
Series A 5.00% 1/1/22 (MBIA)	\$1,000,000	\$1,050,470
Series A 5.00% 1/1/30 (AMBAC)	250,000	255,298
Series C 5.25% 1/1/32 (FGIC)	2,500,000	2,630,725

		3,936,493

City General Obligation Bonds - 4.10%		
Metropolitan Council Minnesota		
(Minneapolis/St. Paul Metropolitan Area)		
Series C 5.00% 2/1/22	500,000	527,965
Willmar (Rice Memorial Hospital Project)		
5.00% 2/1/32 (FSA)	1,000,000	1,040,710

		1,568,675

Continuing Care/Retirement Revenue Bonds - 2.42%		
St. Paul Housing & Redevelopment Authority		
Revenue (Franciscan Health Project)		
5.40% 11/20/42 (GNMA) (FHA)	880,000	925,874

		925,874

Corporate-Backed Revenue Bonds - 4.12%		
Anoka County Solid Waste Disposal		
National Rural Co-Op Utility		
(United Power Association)		
Series A 6.95% 12/1/08 (AMT)	560,000	563,086
Sartell Environmental Improvement		
Revenue (International Paper)		

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Series A 5.20% 6/1/27	1,000,000	1,015,400

		1,578,486

Escrowed to Maturity Bonds - 13.44%		
Dakota/Washington Counties Housing & Redevelopment Authority Bloomington Single Family Residential Mortgage Revenue 8.375% 9/1/21 (GNMA) (FHA) (VA) (AMT)	2,555,000	3,751,430
Southern Minnesota Municipal Power Agency Power Supply Systems Series B 5.50% 1/1/15 (AMBAC)	390,000	391,065
5.75% 1/1/11 (FGIC)	1,000,000	1,003,040

		5,145,535

Higher Education Revenue Bonds - 5.72%		
Minnesota State Higher Education Facilities Authority Revenue (College of St. Benedict) Series 5-W 5.00% 3/1/20	1,000,000	1,035,990
University of Minnesota Series A 5.50% 7/1/21	1,000,000	1,154,280

		2,190,270

Hospital Revenue Bonds - 13.82%		
Bemidji Health Care Facilities First Mortgage Revenue (North Country Health Services) 5.00% 9/1/24 (RADIAN)	1,000,000	1,039,660
Duluth Economic Development Authority Health Care Facilities Revenue (Benedictine Health System- St. Mary's Hospital) 5.25% 2/15/33	1,250,000	1,292,263
Glencoe Health Care Facilities Revenue (Glencoe Regional Health Services Project) 5.00% 4/1/25	500,000	503,195
	Principal	Market
	Amount	Value
MUNICIPAL BONDS (continued)		
Hospital Revenue Bonds (continued)		
Minneapolis Health Care System Revenue (Allina Health Systems) Series A 5.75% 11/15/32	\$1,100,000	\$1,170,202
Minnesota Agricultural & Economic Development Broad Revenue (Fairview Health Care System) Series A 6.375% 11/15/29	55,000	59,884
Shakopee Health Care Facilities Revenue (St. Francis Regional Medical Center) 5.25% 9/1/34	500,000	514,395
St. Paul Housing & Redevelopment Authority Health Care Facilities Revenue (Regions Hospital Project) 5.30% 5/15/28	700,000	710,941

		5,290,540

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Miscellaneous Revenue Bonds - 7.13%		
Minneapolis Art Center Facilities Revenue		
(Walker Art Center Project)		
5.125% 7/1/21	1,600,000	1,674,672
Minneapolis Community Development		
Agency (Supported Development		
Revenue Limited Tax Common Bond Fund)		
Series G-3 5.45% 12/1/31	1,000,000	1,052,820

		2,727,492

Multifamily Housing Revenue Bonds - 5.44%		
Minneapolis Multifamily Housing Revenue		
(Seward Towers Project)		
5.00% 5/20/36 (GNMA)	1,000,000	1,025,710
Southeastern Minnesota Multi-County		
Housing & Redevelopment Authority		
(Winona County) 5.35% 1/1/28		
	300,000	302,280
Washington County Housing &		
Redevelopment Authority (Woodland		
Park Apartments Project) 4.70% 10/1/32		
	750,000	755,475

		2,083,465

Municipal Lease Revenue Bonds - 7.39%		
St. Paul Port Authority Lease Revenue		
(Cedar Street Office Building Project)		
5.125% 12/1/27	500,000	527,395
5.25% 12/1/27	1,150,000	1,222,185
Virginia Housing & Redevelopment Authority		
Health Care Facility (Lease Revenue)		
5.25% 10/1/25	680,000	701,087
5.375% 10/1/30	365,000	376,976

		2,827,643

Parking Revenue Bonds - 1.83%		
St. Paul Housing & Redevelopment Authority		
Parking Revenue (Block 19 Ramp Project)		
Series A 5.35% 8/1/29 (FSA)	650,000	701,233

		701,233

Political Subdivision General Obligation Bonds - 8.82%		
Hennepin County Series B 5.00% 12/1/18		
	1,300,000	1,392,378
Washington County Housing &		
Redevelopment Authority Series B		
5.50% 2/1/22 (MBIA)	855,000	916,466
5.50% 2/1/32 (MBIA)	1,000,000	1,066,730

		3,375,574

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STATEMENTS
OF NET ASSETS (CONTINUED)

DELAWARE INVESTMENTS MINNESOTA MUNICIPAL
INCOME, FUND, INC.

Principal
Amount

Market
Value

MUNICIPAL BONDS (continued)

ss.Pre-Refunded Bonds - 16.50%

Chaska Electric Revenue Series A		
6.00% 10/1/25-10	\$1,000,000	\$ 1,120,400
Minnesota Agricultural & Economic		
Development Broad Revenue		
(Fairview Health Care System)		
Series A 6.375% 11/15/29-10	1,695,000	1,943,232
Puerto Rico Commonwealth 6.00% 7/1/26-07	1,000,000	1,066,010
Puerto Rico Public Buildings Authority		
Series D 5.25% 7/1/27-12	845,000	923,374
St. Francis Independent School District #015		
Series A 6.30% 2/1/11-06 (FSA)	1,250,000	1,263,863

		6,316,879

Public Power Revenue Bonds - 27.64%

Minnesota State Municipal Power Agency		
Electric Revenue Series A 5.25% 10/1/19	1,110,000	1,197,490
Rochester Electric Utility Revenue		
5.25% 12/1/30 (AMBAC)	150,000	159,911
&Southern Minnesota Municipal Power		
Agency Power Supply Systems Revenue,		
Inverse Floater ROLs Series II-R-189-3		
7.626% 1/1/14 (AMBAC)	2,500,000	3,037,174
Southern Minnesota Municipal		
Power Agency Power Supply		
Systems Revenue Series A		
5.00% 1/1/12 (AMBAC)	1,000,000	1,083,240
5.00% 1/1/13 (MBIA)	500,000	543,475
5.25% 1/1/15 (AMBAC)	570,000	634,644
5.25% 1/1/16 (AMBAC)	1,000,000	1,113,580
Western Minnesota Municipal Power Agency		
Series A 5.00% 1/1/30 (MBIA)	1,900,000	1,976,588
Series B 5.00% 1/1/15 (MBIA)	765,000	835,074

		10,581,176

School District General Obligation Bonds - 15.70%

Centennial Independent School District #012		
Series 2002-A 5.00% 2/1/20 (FSA)	400,000	423,780
Farmington Independent School		
District #192 5.00% 2/1/23 (FSA)	1,200,000	1,270,031
Minneapolis Special School District #001		
5.00% 2/1/19 (FSA)	675,000	718,619
Morris Independent School District #769		
5.00% 2/1/28 (MBIA)	1,000,000	1,047,110
Mounds View Independent School		
District #621 5.00% 2/1/23 (FSA)	1,020,000	1,071,337
Robbinsdale Independent School		
District #281 5.00% 2/1/21 (FSA)	500,000	529,725
St. Michael Independent School District #885		
5.00% 2/1/22 (FSA)	500,000	528,060
5.00% 2/1/24 (FSA)	400,000	420,616

		6,009,278

Single Family Housing Revenue Bonds - 1.90%

Dakota County Housing & Redevelopment		
Authority Single Family Mortgage Revenue		

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5.85% 10/1/30 (GNMA) (FNMA) (AMT)	31,000	31,922
Minnesota State Housing Finance Agency		
Single Family Mortgage Series J		
5.90% 7/1/28 (AMT)	670,000	694,937

		726,859

	Principal	Market
	Amount	Value
MUNICIPAL BONDS (continued)		
State General Obligation Bonds - 3.22%		
Minnesota State 5.00% 8/1/21	\$1,150,000	\$ 1,231,627

		1,231,627

Tax Increment/Special Assessment Bonds - 1.40%		
Moorhead Economic Development		
Authority Tax Increment Series A		
5.25% 2/1/25 (MBIA)	500,000	534,695

		534,695

TOTAL MUNICIPAL BONDS (cost \$55,178,111)		57,751,794

TOTAL MARKET VALUE OF SECURITIES - 150.87%		
(cost \$55,178,111)		57,751,794
RECEIVABLES AND OTHER ASSETS		
NET OF LIABILITIES - 1.38%		526,351
LIQUIDATION VALUE OF PREFERRED STOCK - (52.25%)		(20,000,000)

NET ASSETS APPLICABLE TO 2,594,700		
SHARES OUTSTANDING - 100.00%		\$38,278,145
		=====
Net Asset Value Per Common Share		
(\$38,278,145 / 2,594,700 Shares)		\$14.75

COMPONENTS OF NET ASSETS AT SEPTEMBER 30, 2005:		
Common stock, \$0.01 par value, 200 million		
shares authorized to the Fund		\$35,426,619
Undistributed net investment income		257,924
Accumulated net realized gain on investments		19,919
Net unrealized appreciation of investments		2,573,683

Total net assets		\$38,278,145
		=====

ss.Pre-Refunded Bonds are municipals that are generally backed or secured by U.S. Treasury bonds. For Pre-Refunded Bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 6 in "Notes to Financial Statements."

&An inverse floater bond is a type of bond with variable or floating interest rates that move in the opposite direction of short-term interest rates. Interest rate disclosed is in effect as of September 30, 2005. See Notes 6 in "Notes to Financial Statements."

SUMMARY OF ABBREVIATIONS:

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

See accompanying notes

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STATEMENTS
 OF NET ASSETS (CONTINUED)

DELAWARE INVESTMENTS MINNESOTA MUNICIPAL
 INCOME FUND II, INC.
 September 30, 2005 (Unaudited)

	Principal Amount	Market Value
MUNICIPAL BONDS - 152.00%		
Airport Revenue Bonds - 11.81%		
Minneapolis/St. Paul Metropolitan		
Airports Commission Revenue		
Series A 5.00% 1/1/22 (MBIA)	\$2,000,000	\$ 2,100,940
Series A 5.00% 1/1/28 (MBIA)	1,370,000	1,427,828
Series A 5.00% 1/1/30 (AMBAC)	1,450,000	1,480,726
Series A 5.00% 1/1/35 (AMBAC)	2,000,000	2,081,780
Series A 5.25% 1/1/16 (MBIA)	1,000,000	1,084,840
Series B 5.25% 1/1/24 (FGIC) (AMT)	1,000,000	1,038,700
Series C 5.25% 1/1/32 (FGIC)	3,500,000	3,683,014

		12,897,828

City General Obligation Bonds - 3.83%		
Metropolitan Council Minnesota		
(Minneapolis/St. Paul Metropolitan Area)		
Series C 5.00% 2/1/22	500,000	527,965
Moorhead Series B 5.00% 2/1/33 (MBIA)	2,000,000	2,092,100
Willmar (Rice Memorial Hospital Project)		
5.00% 2/1/32 (FSA)	1,500,000	1,561,065

		4,181,130

Corporate-Backed Revenue Bonds - 4.18%		
Cloquet Pollution Control Revenue		
(Potlatch Corp. Project) 5.90% 10/1/26	4,500,000	4,561,605

		4,561,605

Escrowed to Maturity Bonds - 15.20%		
Dakota/Washington Counties Housing &		
Redevelopment Authority Bloomington		
Single Family Residential Mortgage		
Revenue 8.375% 9/1/21		
(GNMA) (FHA) (VA) (AMT)	5,500,000	8,075,485
St. Paul Housing & Redevelopment		

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Authority Sales Tax (Civic Center Project)		
5.55% 11/1/23	2,300,000	2,376,107
5.55% 11/1/23 (MBIA)	4,200,000	4,338,978
Western Minnesota Municipal Power		
Agency Series A 6.625% 1/1/16	1,535,000	1,815,521

		16,606,091

Higher Education Revenue Bonds - 11.15%		
Minnesota State Higher Education		
Facilities Authority		
(College of St. Benedict) Series 5-W		
5.00% 3/1/20	1,000,000	1,035,990
(St. Catherine College) Series 5-N1		
5.375% 10/1/32	1,500,000	1,571,205
(St. Mary's University) Series 5-U		
4.80% 10/1/23	1,400,000	1,414,546
(St. Thomas University) Series 4-A1		
5.625% 10/1/21	1,000,000	1,019,720
(St. Thomas University) Series 5-Y		
5.00% 10/1/24	1,000,000	1,042,690
5.25% 10/1/34	1,500,000	1,588,560
St. Cloud Housing & Redevelopment		
Authority Revenue (State University		
Foundation Project) 5.00% 5/1/23	1,000,000	1,043,530
University of Minnesota		
Series A 5.50% 7/1/21	3,000,000	3,462,840

		12,179,081

	Principal Amount	Market Value
MUNICIPAL BONDS (continued)		
Hospital Revenue Bonds - 17.24%		
Duluth Economic Development Authority		
Health Care Facilities Revenue		
(Benedictine Health System-St. Mary's		
Hospital) 5.25% 2/15/33	\$5,000,000	\$ 5,169,051
Glencoe Minnesota Health Care Facilities		
Revenue (Glencoe Regional Health		
Services Project) 5.00% 4/1/25	1,500,000	1,509,585
Minneapolis Health Care System Revenue		
(Allina Health Systems) Series A		
5.75% 11/15/32	1,000,000	1,063,820
(Fairview Health Services) Series D		
5.00% 11/15/30 (AMBAC)	1,500,000	1,574,070
5.00% 11/15/34 (AMBAC)	2,500,000	2,615,325
Minnesota Agricultural & Economic		
Development Board Revenue		
(Fairview Health Care System) Series A		
5.75% 11/15/26 (MBIA)	100,000	106,580
6.375% 11/15/29	100,000	108,880
Rochester Health Care Facilities Revenue		
(Mayo Foundation) Series B		
5.50% 11/15/27	3,365,000	3,555,997
St. Louis Park Health Care Facilities Revenue		
(Park Nicollet Health Services) Series B		
5.25% 7/1/30	1,250,000	1,296,500
St. Paul Housing & Redevelopment		

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Authority Health Care Facilities Revenue (Regions Hospital Project) 5.30% 5/15/28	300,000	304,689
Waconia Health Care Facilities Revenue (Ridgeview Medical Center Project) Series A 6.10% 1/1/19 (RADIAN)	1,405,000	1,530,986

		18,835,483

Miscellaneous Revenue Bonds - 2.65%		
Minneapolis Art Center Facilities Revenue (Walker Art Center Project) 5.125% 7/1/21	2,400,000	2,512,008
Minneapolis Community Development Agency (Supported Development Revenue Limited Tax Common Bond Fund) Series 5 5.70% 12/1/27	375,000	382,511

		2,894,519

Multifamily Housing Revenue Bonds - 7.97%		
Chanhassen Multifamily Housing Revenue (Heritage Park Apartments Project- Section 8) 6.20% 7/1/30 (FHA) (AMT)	1,105,000	1,142,172
Harmony Multifamily Housing Revenue Refunding Section 8 (Zedakah Foundation Project) Series A 5.95% 9/1/20	1,000,000	849,810
Minneapolis Multifamily Housing Revenue (Seward Towers Project) 5.00% 5/20/36 (GNMA)	1,000,000	1,025,710
(Sumner Housing Project) Series A 5.15% 2/20/45 (GNMA) (AMT)	3,575,000	3,643,246
Minnesota State Housing Finance Agency Series A 5.00% 2/1/35 (AMT)	1,000,000	1,015,150
Series D 5.95% 2/1/18 (MBIA)	150,000	152,366
Southeastern Minnesota Multi-County Housing & Redevelopment Authority (Winona County) 5.35% 1/1/28	870,000	876,612

		8,705,066

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STATEMENTS
OF NET ASSETS (CONTINUED)

DELAWARE INVESTMENTS MINNESOTA MUNICIPAL
INCOME FUND II, INC.

	Principal Amount	Market Value
MUNICIPAL BONDS (continued)		
Municipal Lease Revenue Bonds - 11.20%		
Andover Economic Development Authority Public Facilities Lease Revenue (Andover Community Center) 5.20% 2/1/29	\$1,000,000	\$ 1,034,300
Minneapolis Development Revenue (Limited Tax Supported Common Bond Fund) 5.50% 12/1/24 (AMT)	1,000,000	1,058,590
St. Paul Port Authority Lease Revenue (Cedar Street Office Building Project)		

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5.00% 12/1/22	2,385,000	2,523,569
5.25% 12/1/27	2,650,000	2,816,340
(Robert Street Office Building Project)		
5.00% 12/1/27	2,545,000	2,665,582
Series 9 5.25% 12/1/27	2,000,000	2,133,180

		12,231,561

Parking Revenue Bonds - 1.23%		
St. Paul Housing & Redevelopment Authority		
Parking Revenue (Block 19 Ramp Project)		
Series A 5.35% 8/1/29 (FSA)	1,250,000	1,348,525

		1,348,525

Political Subdivision General Obligation Bonds - 7.70%		
Dakota County Community Development		
Agency Governmental Housing Facilities		
Series A 5.00% 1/1/23	1,100,000	1,161,204
Hennepin County Series B 5.00% 12/1/18	1,000,000	1,071,060
Hennepin County Regional Railroad		
Authority 5.00% 12/1/26	3,500,000	3,624,600
Metropolitan Council Waste Water		
Treatment Series B 5.00% 12/1/21	1,250,000	1,337,663
Washington County Housing &		
Redevelopment Authority Series B		
5.50% 2/1/32 (MBIA)	1,140,000	1,216,072

		8,410,599

ss.Pre-Refunded Bonds - 22.15%		
Hawley Independent School District #150		
Series A 5.75% 2/1/17-06 (FSA)	1,000,000	1,009,260
Minneapolis Community Development		
Agency (Supported Development		
Revenue Limited Tax Common Bond Fund)		
Series G1 5.70% 12/1/19-11	1,100,000	1,225,323
Minneapolis Health Care System Revenue		
(Fairview Health Services)		
Series A 5.625% 5/15/32-12	2,750,000	3,087,728
Minnesota Agricultural & Economic		
Development Board Revenue		
(Fairview Health Care Systems) Series A		
5.75% 11/15/26-07 (MBIA)	5,450,000	5,856,679
6.375% 11/15/29-10	3,200,000	3,668,640
Puerto Rico Commonwealth Highway &		
Transportation Authority Revenue		
Series Y 5.50% 7/1/26-06	2,000,000	2,068,400
Puerto Rico Commonwealth Public		
Improvement Series A 5.00% 7/1/27-12	1,250,000	1,359,875
Puerto Rico Public Buildings Authority		
Series D 5.25% 7/1/27-12	625,000	682,969
Rosemount Independent School		
District #196 Series A 5.70% 4/1/12-06	1,270,000	1,287,209
	Principal	Market
	Amount	Value

MUNICIPAL BONDS (continued)

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ss.Pre-Refunded Bonds (continued)		
Southern Minnesota Municipal Power		
Agency Power Supply Systems		
Series A 5.75% 1/1/18-05	\$3,715,000	\$ 3,953,392

		24,199,475

Public Power Revenue Bonds - 13.85%		
Minnesota State Municipal Power Agency		
Electric Revenue Series A 5.00% 10/1/34	5,750,000	5,936,357
Rochester Electric Utility Revenue		
5.25% 12/1/30 (AMBAC)	450,000	479,732
&Southern Minnesota Municipal Power		
Agency Power Supply Systems Revenue,		
Inverse Floater ROLs		
Series II-R-189-3 7.626% 1/1/14 (AMBAC)	3,000,000	3,644,610
Series II-R-189 7.626% 1/1/15 (AMBAC)	1,500,000	1,840,230
Western Minnesota Municipal Power Agency		
Series A 5.00% 1/1/30 (MBIA)	3,100,000	3,224,961

		15,125,890

School District General Obligation Bonds - 12.98%		
Centennial Independent School District #012		
Series 2002-A 5.00% 2/1/20 (FSA)	400,000	423,780
Elk River Independent School District #728		
5.00% 2/1/16 (FGIC)	1,500,000	1,624,005
Farmington Independent School District #192		
5.00% 2/1/23 (FSA)	1,080,000	1,143,029
Series B 5.00% 2/1/27 (FSA)	1,000,000	1,056,850
Lakeville Independent School District #194		
Series A 4.75% 2/1/22 (FSA)	2,000,000	2,062,979
Minneapolis Special School District #001		
5.00% 2/1/19 (FSA)	1,000,000	1,064,620
Morris Independent School District #769		
5.00% 2/1/28 (MBIA)	2,750,000	2,879,552
Mounds View Independent School		
District #621 5.00% 2/1/23 (FSA)	1,000,000	1,050,330
Princeton Independent School District #477		
Series A 5.00% 2/1/24 (FSA)	500,000	530,010
St. Michael Independent School District #885		
5.00% 2/1/22 (FSA)	1,500,000	1,584,180
5.00% 2/1/24 (FSA)	725,000	762,367

		14,181,702

Single Family Housing Revenue Bonds - 2.46%		
Minnesota State Housing Finance Agency		
Single Family Housing Series 1992-C2		
6.15% 7/1/23 (AMT)	920,000	920,892
Minnesota State Housing Finance Agency		
Single Family Mortgage		
Series B 5.35% 1/1/33 (AMT)	1,140,000	1,172,319
Series J 5.90% 7/1/28 (AMT)	575,000	596,402

		2,689,613

State General Obligation Bonds - 4.37%		
Minnesota State 5.00% 8/1/21		
3,875,000	4,150,048	
&Minnesota State, Inverse Floater		
ROLs 7.30% 11/1/17		
570,000	629,730	

4,779,778

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STATEMENTS
OF NET ASSETS (CONTINUED)DELAWARE INVESTMENTS MINNESOTA MUNICIPAL
INCOME FUND II, INC.

	Principal Amount	Market Value
MUNICIPAL BONDS (continued)		
Tax Increment/Special Assessment Bonds - 0.49%		
Moorhead Economic Development Authority Tax Increment Series A 5.25% 2/1/25 (MBIA)	\$ 500,000	\$ 534,695

		534,695

Territorial General Obligation Bonds - 1.06%		
Puerto Rico Commonwealth Public Improvement Series A 5.50% 7/1/19 (MBIA)	1,000,000	1,160,300

		1,160,300

Territorial Revenue Bonds - 0.48%		
Virgin Islands Public Finance Authority 5.25% 10/1/23	500,000	530,360

		530,360

TOTAL MUNICIPAL BONDS (cost \$157,954,752)		166,053,301

SHORT-TERM INVESTMENTS - 0.92%		
oVariable Rate Demand Notes - 0.92%		
Minneapolis Guthrie Parking Ramp 2.61% 12/1/33 (SPA)	1,000,000	1,000,000

TOTAL SHORT-TERM INVESTMENTS (cost \$1,000,000)		1,000,000

TOTAL MARKET VALUE OF SECURITIES - 152.92%		
(cost \$158,954,752)		167,053,301
RECEIVABLES AND OTHER ASSETS		
NET OF LIABILITIES - 2.00%		2,189,766
LIQUIDATION VALUE OF PREFERRED STOCK - (54.92%)		(60,000,000)

NET ASSETS APPLICABLE TO 7,252,200 SHARES OUTSTANDING - 100.00%		\$109,243,067
		=====
Net Asset Value Per Common Share ((\$109,243,067 / 7,252,200 Shares))		\$15.06

COMPONENTS OF NET ASSETS AT SEPTEMBER 30, 2005:

Common stock, \$0.01 par value, 200 million shares authorized to the Fund	\$ 99,710,000
Undistributed net investment income	1,667,580
Accumulated net realized loss on investments	(233,062)
Net unrealized appreciation of investments	8,098,549

Total net assets	\$109,243,067
	=====

ss.Pre-Refunded Bonds are municipals that are generally backed or secured by U.S. Treasury bonds. For Pre-Refunded Bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 6 in "Notes to Financial Statements."

&An inverse floater bond is a type of bond with variable or floating interest rates that move in the opposite direction of short-term interest rates. Interest rate disclosed is in effect as of September 30, 2005. See Notes 6 in "Notes to Financial Statements."

oVariable rate securities. The interest rate shown is the rate as of September 30, 2005.

SUMMARY OF ABBREVIATIONS:

AMBAC - Insured by the AMBAC Assurance Corporation
 AMT - Subject to Alternative Minimum Tax
 FGIC - Insured by the Financial Guaranty Insurance Company
 FHA - Insured by the Federal Housing Administration
 FSA - Insured by Financial Security Assurance
 GNMA - Insured by Government National Mortgage Association
 MBIA - Insured by the Municipal Bond Insurance Association
 RADIAN - Insured by Radian Asset Assurance
 ROLs - Residual Options Longs
 SPA - Stand-by Purchase Agreement
 VA - Insured by the Veterans Administration

See accompanying notes

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STATEMENTS
OF NET ASSETS (CONTINUED)

DELAWARE INVESTMENTS MINNESOTA MUNICIPAL
INCOME FUND III, INC.
September 30, 2005 (Unaudited)

	Principal Amount	Market Value
MUNICIPAL BONDS - 155.77%		
Airport Revenue Bonds - 9.56%		
Minneapolis/St. Paul Metropolitan Airports		
Commission Revenue Series A		
5.00% 1/1/28 (MBIA)	\$ 750,000	\$ 781,658
5.00% 1/1/30 (AMBAC)	750,000	765,893
5.125% 1/1/25 (FGIC)	900,000	941,822

		2,489,373

City General Obligation Bonds - 5.02%		
Moorhead Series B 5.00% 2/1/33 (MBIA)	1,250,000	1,307,563

		----- 1,307,563 -----
Continuing Care/Retirement Revenue Bonds - 7.35%		
St. Paul Housing & Redevelopment		
Authority Revenue (Franciscan Health		
Project) 5.40% 11/20/42 (GNMA) (FHA)	1,820,000	1,914,877
		----- 1,914,877 -----
Corporate-Backed Revenue Bonds - 7.48%		
Cloquet Pollution Control Revenue		
(Potlatch Corp. Project) 5.90% 10/1/26	1,000,000	1,013,690
Minneapolis Community Development		
Agency Supported Development Revenue		
(Pajor Graphics) Series 1 6.75% 12/1/25		
(LOC US Bank NA) (AMT)	865,000	932,678
		----- 1,946,368 -----
Escrowed to Maturity Bonds - 12.09%		
University of Minnesota Hospital & Clinics		
6.75% 12/1/16	2,580,000	3,148,142
		----- 3,148,142 -----
Higher Education Revenue Bonds - 5.15%		
Minnesota State Higher Education		
Facilities Authority		
(College of St. Benedict)		
Series 5-W 5.25% 3/1/24	300,000	312,225
(St. Thomas University)		
Series 4-A1 5.625% 10/1/21	1,010,000	1,029,917
		----- 1,342,142 -----
Hospital Revenue Bonds - 18.93%		
Bemidji Health Care Facilities First Mortgage		
Revenue (North Country Health Services)		
5.00% 9/1/24 (RADIAN)	500,000	519,830
Duluth Economic Development Authority		
Health Care Facilities Revenue		
(Benedictine Health System-St. Mary's		
Hospital) 5.25% 2/15/33	1,000,000	1,033,810
Minneapolis Health Care System Revenue		
(Allina Health Systems) Series A		
5.75% 11/15/32	1,100,000	1,170,201
(Fairview Health Services) Series D		
5.00% 11/15/34 (AMBAC)	750,000	784,598
Minnesota Agricultural & Economic		
Development Broad Revenue		
(Fairview Health Care System)		
Series A 6.375% 11/15/29	40,000	43,552
Rochester Health Care Facilities Revenue		
(Mayo Foundation) Series B		
5.50% 11/15/27	1,000,000	1,056,759
	Principal	Market
	Amount	Value

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MUNICIPAL BONDS (continued)

Hospital Revenue Bonds (continued)

Shakopee Health Care Facilities Revenue (St. Francis Regional Medical Center) 5.25% 9/1/34	\$ 310,000	\$ 318,925

		4,927,675

Miscellaneous Revenue Bonds - 1.00%

Minneapolis Art Center Facilities Revenue (Walker Art Center Project) 5.125% 7/1/21	250,000	261,668

		261,668

Multifamily Housing Revenue Bonds - 7.61%

Minneapolis Multifamily Housing Revenue o(Gaar Scott Loft Project) 5.95% 5/1/30 (AMT)	970,000	1,015,755
(Olson Townhomes Project) 6.00% 12/1/19 (AMT)	965,000	965,357

		1,981,112

Municipal Lease Revenue Bonds - 12.49%

Andover Economic Development Authority Public Facilities Lease Revenue (Andover Community Center) 5.125% 2/1/24	500,000	517,100
St. Paul Port Authority Lease Revenue (Cedar Street Office Building Project) 5.125% 12/1/27	500,000	527,395
5.25% 12/1/27 (Robert Street Office Building Project) 5.00% 12/1/27	1,000,000	1,062,770
	500,000	523,690
Virginia Housing & Redevelopment Authority Health Care Facility (Lease Revenue) 5.375% 10/1/30	600,000	619,686

		3,250,641

Parking Revenue Bonds - 6.01%

St. Paul Housing & Redevelopment Authority Parking Revenue (Block 19 Ramp Project) Series A 5.35% 8/1/29 (FSA)	1,450,000	1,564,289

		1,564,289

Political Subdivision General Obligation Bonds - 9.57%

Metropolitan Council Waste Water Treatment Series B 5.00% 12/1/21	750,000	802,598
Minneapolis Sports Arena Project 5.125% 10/1/20	750,000	777,503
Washington County Housing & Redevelopment Authority Series B 5.50% 2/1/22 (MBIA)	850,000	911,106

		2,491,207

ss.Pre-Refunded Bonds - 18.11%

Minnesota Agricultural & Economic Development Broad Revenue (Fairview Health Care System)		
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Series A 6.375% 11/15/29-10	1,210,000	1,387,205
Minnesota Public Facilities Authority Water Pollution Control Revenue		
Series B 5.40% 3/1/15-06	2,200,000	2,223,869
Puerto Rico Commonwealth Highway & Transportation Authority Revenue		
Series D 5.25% 7/1/38-12	1,000,000	1,102,800

		4,713,874

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STATEMENTS
OF NET ASSETS (CONTINUED)

DELAWARE INVESTMENTS MINNESOTA MUNICIPAL
INCOME FUND III, INC.

	Principal Amount	Market Value
MUNICIPAL BONDS (continued)		
Public Power Revenue Bonds - 24.64%		
Chaska Electric Revenue (Generating Facilities) Series A 5.25% 10/1/25	\$ 250,000	\$ 265,798
Minnesota State Municipal Power Agency Electric Revenue Series A		
5.00% 10/1/34	750,000	774,308
5.25% 10/1/19	500,000	539,410
Southern Minnesota Municipal Power Agency Power Supply Systems Revenue Series A		
5.00% 1/1/13 (MBIA)	500,000	543,475
5.25% 1/1/15 (AMBAC)	700,000	779,386
5.25% 1/1/16 (AMBAC)	500,000	556,790
&Southern Minnesota Municipal Power Agency Power Supply Systems Revenue, Inverse Floater ROLs Series II-R-189-3		
7.626% 1/1/14 (AMBAC)	1,500,000	1,822,304
Western Minnesota Municipal Power Agency		
Series A 5.00% 1/1/30 (MBIA)	460,000	478,543
Series B 5.00% 1/1/15 (MBIA)	600,000	654,960

		6,414,974

School District General Obligation Bonds - 4.07%		
Farmington Independent School District #192 Series B 5.00% 2/1/27 (FSA)	500,000	528,425
Princeton Independent School District #477 Series A 5.00% 2/1/24 (FSA)	500,000	530,010

		1,058,435

Single Family Housing Revenue Bonds - 2.53%		
Minnesota State Housing Finance Agency Single Family Mortgage Series B		
5.35% 1/1/33 (AMT)	640,000	658,144

		658,144

Territorial Revenue Bonds - 4.16%		
Puerto Rico Public Buildings Authority Guaranteed Government Facilities Revenue Series D (Unrefunded Balance)		
5.25% 7/1/27	530,000	557,300

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University of the Virgin Islands Series A 5.375% 6/1/34	500,000	524,950

		1,082,250

TOTAL MUNICIPAL BONDS (cost \$38,496,378)		40,552,734

TOTAL MARKET VALUE OF SECURITIES - 155.77% (cost \$38,496,378)		40,552,734
RECEIVABLES AND OTHER ASSETS		
NET OF LIABILITIES - 1.85%		480,601
LIQUIDATION VALUE OF PREFERRED STOCK - (57.62%)		(15,000,000)

NET ASSETS APPLICABLE TO 1,837,200 SHARES OUTSTANDING - 100.00%		\$26,033,335
		=====
Net Asset Value Per Common Share (\$26,033,335 / 1,837,200 Shares)		\$14.17

COMPONENTS OF NET ASSETS AT SEPTEMBER 30, 2005:

Common stock, \$0.01 par value, 200 million shares authorized to the Fund	\$23,648,910
Undistributed net investment income	384,886
Accumulated net realized loss on investments	(56,817)
Net unrealized appreciation of investments	2,056,356

Total net assets	\$26,033,335
	=====

ss.Pre-Refunded Bonds are municipals that are generally backed or secured by U.S. Treasury bonds. For Pre-Refunded Bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 6 in "Notes to Financial Statements."

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oVariable rate securities. The interest rate shown is the rate as of September 30, 2005.

SUMMARY OF ABBREVIATIONS:

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

See accompanying notes

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STATEMENTS
OF ASSETS AND LIABILITIES

DELAWARE INVESTMENTS CLOSE
September 30, 2005 (Unaudited)

	Delaware Investments Arizona Municipal Income Fund, Inc.	Delaware Investments Colorado Insured Municipal Income Fund, Inc.	Delaware Investments Florida Insured Municipal Income Fund	Delaware Investments Minnesota Municipal Income Fund, Inc.
ASSETS:				
Investments at market	\$68,653,479	\$113,830,822	\$56,099,232	\$57,751,799
Cash	359,319	692,363	488,937	—
Receivables for securities sold	170,000	—	2,040,000	11,000
Interest receivable	967,932	1,570,567	1,021,809	734,650
	-----	-----	-----	-----
Total assets	70,150,730	116,093,752	59,649,978	58,497,449
	-----	-----	-----	-----
LIABILITIES:				
Preferred shares leveraged	25,000,000	40,000,000	20,000,000	20,000,000
Payables for securities purchased	—	—	2,634,867	—
Cash overdraft	—	—	—	96,375
Distributions payable	47,945	79,780	41,808	39,125
Due to manager and affiliates	32,181	73,447	26,775	40,438
Other accrued expenses	42,861	45,549	38,568	43,375
	-----	-----	-----	-----
Total liabilities	25,122,987	40,198,776	22,742,018	20,219,303
	-----	-----	-----	-----
TOTAL NET ASSETS	\$45,027,743	\$ 75,894,976	\$36,907,960	\$38,278,146
	=====	=====	=====	=====
Investments at cost	\$64,981,133	\$106,667,309	\$53,761,021	\$55,178,111

See accompanying notes

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STATEMENTS
OF OPERATIONS

DELAWARE INVESTMENTS CLOSING
Six Months Ended September 30, 2005

Delaware Delaware

	Investments Arizona Municipal Income Fund, Inc.	Investm Colorado Munic Inco Fund,
INVESTMENT INCOME:		
Interest	\$1,650,779	\$2,847
	-----	-----
EXPENSES:		
Management fees	141,255	232
Remarketing agent fees	31,424	46
Accounting and administration expenses	21,652	28
Reports and statements to shareholders	11,662	14
Dividend disbursing and transfer agent fees and expenses	10,003	15
Rating agency fees	6,758	6
Legal and professional fees	5,840	7
Insurance	3,335	5
Stock exchange fees	2,153	3
Custodian fees	1,492	1
Taxes (other than taxes on income)	1,449	2
Directors'/Trustees' fees	1,234	2
Other	942	8
	-----	-----
	239,199	375
Less expense paid indirectly	(1,492)	(1
	-----	-----
Total expenses	237,707	373
	-----	-----
NET INVESTMENT INCOME	1,413,072	2,474
	-----	-----
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized gain (loss) on investments	(33,362)	142
Net change in unrealized appreciation/depreciation of investments	426,891	722
	-----	-----
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	393,529	865
	-----	-----
DIVIDENDS ON PREFERRED STOCK	(318,832)	(486
	-----	-----
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$1,487,769	\$2,852
	=====	=====

See accompanying notes

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	Delaware Investments Minnesota Municipal Income Fund, Inc.	Delaware Investments Minnesota Municipal Income Fund II
INVESTMENT INCOME:		
Interest	\$1,388,522	\$4,115
EXPENSES:		
Management fees	117,372	340
Dividend disbursing and transfer agent fees and expenses	23,616	38
Remarketing agent fees	21,151	75
Accounting and administration expenses	19,893	36
Reports and statements to shareholders	7,591	18
Legal and professional fees	7,544	9
Rating agency fees	5,125	6
Insurance	2,807	8
Stock exchange fees	1,747	4
Custodian fees	1,297	2
Directors'/Trustees' Fees	1,016	2
Other	3,065	2
	212,224	546
Less expense paid indirectly	(1,297)	(2)
Total expenses	210,927	543
NET INVESTMENT INCOME	1,177,595	3,571
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS:		
Net realized gain on investments	8,893	169
Net change in unrealized appreciation/depreciation of investments	673,730	1,696
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS	682,623	1,865
DIVIDENDS ON PREFERRED STOCK	(271,408)	(779)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$1,588,810	\$4,657

See accompanying notes

STATEMENTS
OF CHANGES IN NET ASSETS

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	Municipal Income Fund, Inc.		Insured Municip Income Fund, I	
	Six Months Ended 9/30/05 (Unaudited)	Year Ended 3/31/05	Six Months Ended 9/30/05 (Unaudited)	3
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:				
Net investment income	\$ 1,413,072	\$ 2,855,348	\$ 2,474,407	\$ 4
Net realized gain (loss) on investments	(33,362)	83,408	142,936	
Net change in unrealized appreciation/depreciation of investments	426,891	(1,080,216)	722,247	(2
Dividends on preferred stock	(318,832)	(361,013)	(486,828)	
Net increase in net assets resulting from operations	1,487,769	1,497,527	2,852,762	2
DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:				
Net investment income	(1,336,141)	(2,862,911)	(2,321,808)	(4
Net realized gain on investments	(59,644)	(128,235)	--	
	(1,395,785)	(2,991,146)	(2,321,808)	(4
NET INCREASE (DECREASE) IN NET ASSETS	91,984	(1,493,619)	530,954	(2
NET ASSETS:				
Beginning of period	44,935,759	46,429,378	75,364,022	77
End of period	\$45,027,743	\$44,935,759	\$ 75,894,976	\$75
Undistributed net investment income	\$ 522,221	\$ 765,316	\$ 1,351,512	\$
	Delaware Investments Minnesota Municipal Income Fund, Inc.		Delaware Investments Minne Municipal Income Fund II, Inc.	
	Six Months Ended 9/30/05 (Unaudited)	Year Ended 3/31/05	Six Months Ended 9/30/05 (Unaudited)	3
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:				
Net investment income	\$ 1,177,595	\$ 2,324,176	\$ 3,571,891	\$ 7
Net realized gain on investments	8,893	268,227	169,169	
Net change in unrealized appreciation/depreciation of investments	673,730	(1,027,949)	1,696,351	(2
Dividends on preferred stock	(271,408)	(305,320)	(779,946)	
Net increase in net assets resulting from operations	1,588,810	1,259,134	4,657,465	4
DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:				
Net investment income	(1,037,880)	(2,471,452)	(3,372,273)	(7
Net realized gain on investments	(10,379)	(28,542)	--	
	(1,048,259)	(2,499,994)	(3,372,273)	(7

NET INCREASE (DECREASE) IN NET ASSETS	540,551	(1,240,860)	1,285,192	(2
NET ASSETS:				
Beginning of period	37,737,594	38,978,454	107,957,875	110
End of period	\$38,278,145	\$37,737,594	\$109,243,067	\$107
	=====	=====	=====	=====
Undistributed net investment income	\$ 257,924	\$ 389,101	\$ 1,667,580	\$ 2
	=====	=====	=====	=====

See accompanying notes

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FINANCIAL HIGHLIGHTS

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

	Delaware Investments Ariz			Y
	Six Months Ended 9/30/05(1) (Unaudited)	3/31/05	3/31/04	
NET ASSET VALUE, BEGINNING OF PERIOD	\$15.070	\$15.570	\$15.480	
INCOME (LOSS) FROM INVESTMENT OPERATIONS:				
Net investment income	0.474	0.956	1.020	
Net realized and unrealized gain (loss) on investments	0.123	(0.332)	0.276	
Dividends on preferred stock from:				
Net investment income	(0.105)	(0.118)	(0.075)	
Net realized gain on investments	(0.002)	(0.003)	(0.016)	
Total dividends on preferred stock	(0.107)	(0.121)	(0.091)	
Total from investment operations	0.490	0.503	1.205	
LESS DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:				
Net investment income	(0.440)	(0.960)	(0.960)	
Net realized gain on investments	(0.020)	(0.043)	(0.155)	
Total dividends and distributions	(0.460)	(1.003)	(1.115)	
NET ASSET VALUE, END OF PERIOD	\$15.100	\$15.070	\$15.570	
	=====	=====	=====	
MARKET VALUE, END OF PERIOD	\$15.900	\$15.390	\$16.560	
	=====	=====	=====	

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TOTAL INVESTMENT RETURN BASED ON: (3)

Market value	6.36%	(0.78%)	14.64%
Net asset value	3.15%	3.34%	7.86%

RATIOS AND SUPPLEMENTAL DATA:

Net assets applicable to common shares, end of period (000 omitted)	\$45,028	\$44,936	\$46,429
Ratio of expenses to average net assets applicable to common shares(4)	1.04%	1.18%	1.05%
Ratio of net investment income to average net assets applicable to common shares(4)	6.18%	6.34%	6.63%
Ratio of net investment income to average net assets applicable to common shares net of dividends to preferred shares(5)	4.78%	5.54%	6.04%
Portfolio turnover	4%	8%	30%

LEVERAGE ANALYSIS:

Value of preferred shares outstanding (000 omitted)	\$25,000	\$25,000	\$25,000
Net asset coverage per share of preferred shares, end of period	\$140,055	\$139,872	\$142,858
Liquidation value per share of preferred shares(6)	\$50,000	\$50,000	\$50,000

- (1) Ratios and portfolio turnover have been annualized and total return has not been annualized.
- (2) As required, effective April 1, 2001, the Fund adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies that required amortization of all premiums and discounts on debt securities. The effect of these changes for the year ended March 31, 2002 was an increase in net investment income per share of \$0.002, a decrease in net realized and unrealized gain (loss) per share of \$0.002, and an increase in the ratio of net investment income to average net assets of 0.02%. Per share data for periods prior to April 1, 2001 have not been restated to reflect these changes in accounting.
- (3) 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.
- (4) Ratios do not reflect the effect of dividend payments to preferred shareholders.
- (5) Ratio reflects total net investment income less dividends paid to preferred shareholders from net investment income divided by average net assets applicable to common shareholders.
- (6) Excluding any accumulated but unpaid dividends.

See accompanying notes

FINANCIAL
HIGHLIGHTS (CONTINUED)

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

	Delaware Investments Colorado Insu		
	Six Months Ended 9/30/05 (1) (Unaudited)	3/31/05	3/31/04
NET ASSET VALUE, BEGINNING OF PERIOD	\$15.580	\$16.110	\$15.920
INCOME (LOSS) FROM INVESTMENT OPERATIONS:			
Net investment income	0.512	1.019	1.043
Net realized and unrealized gain (loss) on investments	0.179	(0.432)	0.324
Dividends on preferred stock from:			
Net investment income	(0.101)	(0.124)	(0.077)
Net realized gain on investments	--	(0.003)	(0.013)
Total dividends on preferred stock	(0.101)	(0.127)	(0.090)
Total from investment operations	0.590	0.460	1.277
LESS DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:			
Net investment income	(0.480)	(0.960)	(0.960)
Net realized gain on investments	--	(0.030)	(0.127)
Total dividends and distributions	(0.480)	(0.990)	(1.087)
NET ASSET VALUE, END OF PERIOD	\$15.690 =====	\$15.580 =====	\$16.110 =====
MARKET VALUE, END OF PERIOD	\$17.990 =====	\$17.180 =====	\$16.960 =====
TOTAL INVESTMENT RETURN BASED ON: (3)			
Market value	7.58%	7.42%	8.76%
Net asset value	3.46%	2.56%	8.05%
RATIOS AND SUPPLEMENTAL DATA:			
Net assets applicable to common shares, end of period (000 omitted)	\$75,895	\$75,364	\$77,903
Ratio of expenses to average net assets applicable to common shares (4)	0.97%	1.03%	1.01%
Ratio of net investment income to average net assets applicable to common shares (4)	6.45%	6.51%	6.54%
Ratio of net investment income to average net assets applicable to common shares net of dividends to preferred shares (5)	5.18%	5.69%	5.98%
Portfolio turnover	7%	5%	13%

LEVERAGE ANALYSIS:

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Value of preferred shares outstanding (000 omitted)	\$40,000	\$40,000	\$40,000
Net asset coverage per share of preferred shares, end of period	\$144,869	\$144,205	\$147,379
Liquidation value per share of preferred shares(6)	\$50,000	\$50,000	\$50,000

- (1) Ratios and portfolio turnover have been annualized and total return has not been annualized.
- (2) As required, effective April 1, 2001, the Fund adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies that required amortization of all premiums and discounts on debt securities. This change in accounting had no effect on the Fund's results of operations for the year ended March 31, 2002. Per share data for periods prior to April 1, 2001 have not been restated to reflect this change in accounting.
- (3) 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.
- (4) Ratios do not reflect the effect of dividend payments to preferred shareholders.
- (5) Ratio reflects total net investment income less dividends paid to preferred shareholders from net investment income divided by average net assets applicable to common shareholders.
- (6) Excluding any accumulated but unpaid dividends.

See accompanying notes

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FINANCIAL HIGHLIGHTS (CONTINUED)

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

	Delaware Investments Florida		
	Six Months Ended 9/30/05(1) (Unaudited)	3/31/05	3/31/04
NET ASSET VALUE, BEGINNING OF PERIOD	\$15.340	\$16.200	\$16.370
INCOME (LOSS) FROM INVESTMENT OPERATIONS:			

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Net investment income	0.516	1.057	1.088
Net realized and unrealized gain (loss) on investments	(0.002)	(0.675)	(0.130)
Dividends on preferred stock from:			
Net investment income	(0.113)	(0.114)	(0.082)
Net realized gain on investments	(0.001)	(0.009)	(0.005)
Total dividends on preferred stock	(0.114)	(0.123)	(0.087)
Total from investment operations	0.400	0.259	0.871
LESS DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:			
Net investment income	(0.490)	(1.020)	(0.995)
Net realized gain on investments	(0.010)	(0.099)	(0.046)
Total dividends and distributions	(0.500)	(1.119)	(1.041)
NET ASSET VALUE, END OF PERIOD	\$15.240	\$15.340	\$16.200
MARKET VALUE, END OF PERIOD	\$16.310	\$15.050	\$16.650
TOTAL INVESTMENT RETURN BASED ON: (3)			
Market value	11.65%	(3.02%)	18.04%
Net asset value	2.29%	1.59%	5.59%
RATIOS AND SUPPLEMENTAL DATA:			
Net assets applicable to common shares, end of period (000 omitted)	\$36,908	\$37,166	\$39,244
Ratio of expenses to average net assets applicable to common shares(4)	1.11%	1.24%	1.11%
Ratio of net investment income to average net assets applicable to common shares(4)	6.67%	6.75%	6.70%
Ratio of net investment income to average net assets applicable to common shares net of dividends to preferred shares(5)	5.19%	5.97%	6.16%
Portfolio turnover	45%	11%	3%
LEVERAGE ANALYSIS:			
Value of preferred shares outstanding (000 omitted)	\$20,000	\$20,000	\$20,000
Net asset coverage per share of preferred shares, end of period	\$142,270	\$142,915	\$148,110
Liquidation value per share of preferred shares(6)	\$50,000	\$50,000	\$50,000

- (1) Ratios and portfolio turnover have been annualized and total return has not been annualized.
- (2) As required, effective April 1, 2001, the Fund adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies that required amortization of all premiums and discounts on debt securities. This change in accounting had no effect on the Fund's results of operations for the year ended March 31, 2002. Per share data for periods prior to April 1, 2001 have not been restated to reflect this change in accounting.
- (3) 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.

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

See accompanying notes

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FINANCIAL

HIGHLIGHTS (CONTINUED)

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

	Delaware Investments Minnesota		
	Six Months Ended 9/30/05 (1) (Unaudited)	3/31/05	3/31/04
NET ASSET VALUE, BEGINNING OF PERIOD	\$14.540	\$15.020	\$15.460
INCOME (LOSS) FROM INVESTMENT OPERATIONS:			
Net investment income	0.454	0.896	0.999
Net realized and unrealized gain (loss) on investments	0.264	(0.294)	0.130
Dividends on preferred stock from:			
Net investment income	(0.104)	(0.117)	(0.054)
Net realized gain on investments	--	(0.001)	(0.047)
Total dividends on preferred stock	(0.104)	(0.118)	(0.101)
Total from investment operations	0.614	0.484	1.028
LESS DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:			
Net investment income	(0.400)	(0.953)	(0.938)
Net realized gain on investments	(0.004)	(0.011)	(0.530)
Total dividends and distributions	(0.404)	(0.964)	(1.468)
NET ASSET VALUE, END OF PERIOD	\$14.750	\$14.540	\$15.020
MARKET VALUE, END OF PERIOD	\$14.580	\$15.070	\$16.600
TOTAL INVESTMENT RETURN BASED ON: (3)			
Market value	(0.57%)	(3.52%)	13.86%

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Net asset value	4.25%	2.88%	6.62%
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RATIOS AND SUPPLEMENTAL DATA:

Net assets applicable to common shares, end of period (000 omitted)	\$38,278	\$37,738	\$38,978
Ratio of expenses to average net assets applicable to common shares(4)	1.09%	1.27%	1.20%
Ratio of net investment income to average net assets applicable to common shares(4)	6.07%	6.12%	6.57%
Ratio of net investment income to average net assets applicable to common shares net of dividends to preferred shares(5)	4.67%	5.31%	5.90%
Portfolio turnover	3%	12%	50%

LEVERAGE ANALYSIS:

Value of preferred shares outstanding (000 omitted)	\$20,000	\$20,000	\$20,000
Net asset coverage per share of preferred shares, end of period	\$145,695	\$144,344	\$147,445
Liquidation value per share of preferred shares(6)	\$50,000	\$50,000	\$50,000

- (1) Ratios and portfolio turnover have been annualized and total return has not been annualized.
- (2) As required, effective April 1, 2001, the Fund adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies that required amortization of all premiums and discounts on debt securities. The effect of this change for the year ended March 31, 2002 was an increase in net investment income per share of \$0.006, a decrease in net realized and unrealized gain (loss) per share of \$0.006, and an increase in the ratio of net investment income to average net assets of 0.04%. Per share data and ratios for periods prior to April 1, 2001 have not been restated to reflect this change in accounting.
- (3) 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.
- (4) Ratios do not reflect the effect of dividend payments to preferred shareholders.
- (5) Ratio reflects total net investment income less dividends paid to preferred shareholders from net investment income divided by average net assets applicable to common shareholders.
- (6) Excluding any accumulated but unpaid dividends.

See accompanying notes

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FINANCIAL HIGHLIGHTS (CONTINUED)

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

	Delaware Investments Minnesota		
	Six Months Ended 9/30/05 (1) (Unaudited)	3/31/05	3/31/04
NET ASSET VALUE, BEGINNING OF PERIOD	\$14.890	\$15.280	\$15.060
INCOME (LOSS) FROM INVESTMENT OPERATIONS:			
Net investment income	0.493	1.025	1.093
Net realized and unrealized gain (loss) on investments	0.250	(0.237)	0.207
Dividends on preferred stock from:			
Net investment income	(0.108)	(0.128)	(0.082)
Total dividends on preferred stock	(0.108)	(0.128)	(0.082)
Total from investment operations	0.635	0.660	1.218
LESS DIVIDENDS TO COMMON SHAREHOLDERS FROM:			
Net investment income	(0.465)	(1.050)	(0.998)
Total dividends	(0.465)	(1.050)	(0.998)
NET ASSET VALUE, END OF PERIOD	\$15.060 =====	\$14.890 =====	\$15.280 =====
MARKET VALUE, END OF PERIOD	\$15.620 =====	\$16.370 =====	\$16.800 =====
TOTAL INVESTMENT RETURN BASED ON: (3)			
Market value	(1.79%)	4.02%	16.87%
Net asset value	4.10%	4.03%	7.99%
RATIOS AND SUPPLEMENTAL DATA:			
Net assets applicable to common shares, end of period (000 omitted)	\$109,243	\$107,958	\$110,828
Ratio of expenses to average net assets applicable to common shares (4)	0.98%	1.00%	0.93%
Ratio of net investment income to average net assets applicable to common shares (4)	6.46%	6.85%	7.23%
Ratio of net investment income to average net assets applicable to common shares net of dividends to preferred shares (5)	5.05%	6.00%	6.69%
Portfolio turnover	11%	15%	34%
LEVERAGE ANALYSIS:			
Value of preferred shares outstanding (000 omitted)	\$60,000	\$60,000	\$60,000
Net asset coverage per share of preferred shares, end of period	\$141,036	\$139,965	\$142,357
Liquidation value per share of preferred shares (6)	\$50,000	\$50,000	\$50,000

- (1) Ratios and portfolio turnover have been annualized and total return has not been annualized.
- (2) As required, effective April 1, 2001, the Fund adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies that required amortization of all premiums and discounts on debt securities. The effect of this change for the year ended March 31, 2002 was an increase in net investment income per share of \$0.003, a decrease in net realized and unrealized gain (loss) per share of \$0.003, and an increase in the ratio of net investment income to average net assets of 0.02%. Per share data and ratios for periods prior to April 1, 2001 have not been restated to reflect this change in accounting.
- (3) 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.
- (4) Ratios do not reflect the effect of dividend payments to preferred shareholders.
- (5) Ratio reflects total net investment income less dividends paid to preferred shareholders from net investment income divided by average net assets applicable to common shareholders.
- (6) Excluding any accumulated but unpaid dividends.

See accompanying notes

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FINANCIAL

HIGHLIGHTS (CONTINUED)

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

	Delaware Investments Minnesota		
	Six Months Ended 9/30/05(1) (Unaudited)	3/31/05	3/31/04
NET ASSET VALUE, BEGINNING OF PERIOD	\$14.000	\$14.480	\$14.290
INCOME (LOSS) FROM INVESTMENT OPERATIONS:			
Net investment income	0.459	0.961	1.034
Net realized and unrealized gain (loss) on investments	0.244	(0.353)	0.119
Dividends on preferred stock from:			
Net investment income	(0.113)	(0.128)	(0.083)

Total dividends on preferred stock	(0.113)	(0.128)	(0.083)
Total from investment operations	0.590	0.480	1.070
LESS DIVIDENDS TO COMMON SHAREHOLDERS FROM:			
Net investment income	(0.420)	(0.960)	(0.880)
Total dividends	(0.420)	(0.960)	(0.880)
NET ASSET VALUE, END OF PERIOD	\$14.170	\$14.000	\$14.480
MARKET VALUE, END OF PERIOD	\$14.430	\$15.620	\$16.160
TOTAL INVESTMENT RETURN BASED ON: (3)			
Market value	(5.03%)	3.00%	15.76%
Net asset value	4.05%	3.03%	7.43%
RATIOS AND SUPPLEMENTAL DATA:			
Net assets applicable to common shares, end of period (000 omitted)	\$26,033	\$25,720	\$26,601
Ratio of expenses to average net assets applicable to common shares(4)	1.23%	1.33%	1.23%
Ratio of net investment income to average net assets applicable to common shares(4)	6.40%	6.82%	7.20%
Ratio of net investment income to average net assets applicable to common shares net of dividends to preferred shares(5)	4.83%	5.92%	6.62%
Portfolio turnover	11%	12%	41%
LEVERAGE ANALYSIS:			
Value of preferred shares outstanding (000 omitted)	\$15,000	\$15,000	\$15,000
Net asset coverage per share of preferred shares, end of period	\$136,778	\$135,732	\$138,670
Liquidation value per share of preferred shares(6)	\$50,000	\$50,000	\$50,000

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

(2) As required, effective April 1, 2001, the Fund adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies that required amortization of all premiums and discounts on debt securities. The effect of this change for the year ended March 31, 2002 was an increase in net investment income per share of \$0.007, a decrease in net realized and unrealized gain (loss) per share of \$0.007, and an increase in the ratio of net investment income to average net assets of 0.04%. Per share data and ratios for periods prior to April 1, 2001 have not been restated to reflect this change in accounting.

(3) 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.

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

See accompanying notes

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NOTES	DELAWARE INVESTMENTS CLOSED-END MUNICIPAL BOND FUNDS
TO FINANCIAL STATEMENTS	September 30, 2005 (Unaudited)

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

Security Valuation - Long-term debt securities are valued by an independent pricing service and such prices are believed to reflect the fair value of such securities. Short-term debt securities having less than 60 days to maturity are valued at amortized cost, which approximates market value. Other securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith under the direction of each Fund's Board of Directors. In determining whether market quotations are readily available or fair valuation will be used, various factors will be taken into consideration, such as market closures, aftermarket trading or significant events after local market trading (e.g., government actions or pronouncements, trading volume or

volatility on markets, exchanges among dealers, or news events).

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

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

Other - Expenses common to all funds within the Delaware Investments Family of Funds are allocated amongst the 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). Costs used in calculating realized gains and losses on the sale of investment securities are those of the specific securities sold. Interest income is recorded on the accrual basis. Discounts and premiums are amortized to interest income over the lives of the respective securities. Each Fund declares and pays dividends from net investment income monthly and distributions from net realized gain on investments, if any, annually. In addition, in order to satisfy certain distribution requirements of the Tax Reform Act of 1986, the Funds may declare special year-end dividend and capital gains distributions during November or December to shareholders of record on a date in such month. Such distributions, if received by shareholders by January 31, are deemed to have been paid by the Funds and received by shareholders on the earlier of the date paid or December 31 of the prior year.

The Funds receive earnings credits from their custodian when positive cash balances are maintained, which are used to offset custody fees. The expense paid under the above arrangement is included in custodian fees on the Statements of Operations with the corresponding expense offset shown as "expense paid indirectly." The amount of this expense for the six months ended September 30, 2005 was as follows:

	Arizona Municipal Fund	Colorado Insured Municipal Fund	Florida Insured Municipal Fund	Min Mun F
Earnings Credits	\$1,492	\$1,937	\$1,298	\$1

2. INVESTMENT MANAGEMENT, ADMINISTRATION AGREEMENTS AND OTHER TRANSACTIONS WITH AFFILIATES

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

DMC has voluntarily agreed to waive that portion, if any, of its management fee and reimburse the Minnesota Municipal Fund to the extent necessary to ensure that annual operating expenses, exclusive of taxes, interest, brokerage commissions, remarketing and rating agency fees, certain insurance costs and extraordinary expenses, do not exceed 0.72% of average daily net assets of the Fund, including assets attributable to any preferred stock that may be

outstanding, through September 30, 2006. This waiver may be revoked at any time.

Delaware Service Company, Inc. (DSC), an affiliate of DMC, provides accounting and administration services. Effective May 19, 2005, the Funds pay DSC a monthly fee computed at the annual rate of 0.04% of the Funds' average daily net assets for accounting and administration services. Prior to May 19, 2005, the Funds paid DSC a monthly fee based on average net assets subject to certain minimums for accounting and administration services.

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NOTES
TO FINANCIAL STATEMENTS (CONTINUED)

2. INVESTMENT MANAGEMENT, ADMINISTRATION AGREEMENTS AND OTHER TRANSACTIONS WITH AFFILIATES (CONTINUED)

At September 30, 2005, each Fund had liabilities payable to affiliates as follows:

	Arizona Municipal Fund	Colorado Insured Municipal Fund	Florida Insured Municipal Fund
	-----	-----	-----
Investment management fee payable to DMC	\$23,492	\$38,798	\$19,073
Accounting administration and other expenses payable to DSC	4,067	26,441	4,618
Other expenses payable to DMC and affiliates*	4,622	8,208	3,084

*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 services expenses, including internal legal services provided to each Fund by DMC employees. For the six months ended September 30, 2005, the cost for internal legal services provided by DMC was as follows:

Arizona Municipal Fund	Colorado Insured Municipal Fund	Florida Insured Municipal Fund
-----	-----	-----
\$1,138	\$1,904	\$773

Certain officers of DMC and DSC are officers and/or directors of the Funds. These officers and directors are paid no compensation by the Funds.

3. INVESTMENTS

For the six months ended September 30, 2005, the Funds made purchases and sales of investment securities other than short-term investments as follows:

	Arizona Municipal Fund	Colorado Insured Municipal Fund	Florida Insured Municipal Fund
	-----	-----	-----
Purchases	\$2,969,655	\$4,243,750	\$12,692,368
Sales	1,288,514	4,579,254	12,711,900

At September 30, 2005, the cost of investments for federal income tax purposes has been estimated since the final tax characteristics cannot be determined until fiscal year end. At September 30, 2005, the cost of investments and unrealized appreciation (depreciation) for each Fund were as follows:

	Arizona Municipal Fund	Colorado Insured Municipal Fund	Florida Insured Municipal Fund	
	-----	-----	-----	
Cost of investments	\$64,956,545	\$106,668,404	\$53,761,021	\$5
	=====	=====	=====	==
Aggregate unrealized appreciation	3,762,375	7,191,845	2,409,171	
Aggregate unrealized depreciation	(65,441)	(29,427)	(70,960)	
	-----	-----	-----	--
Net unrealized appreciation	\$ 3,696,934	\$ 7,162,418	\$ 2,338,211	\$
	=====	=====	=====	==

4. DIVIDEND AND DISTRIBUTION INFORMATION

Income and long-term capital gain distributions are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles. Additionally, net short-term gains on sales of investment securities are treated as ordinary income for federal income tax purposes. The tax character of dividends and distributions paid during the six months ended September 30, 2005 and the year ended March 31, 2005 was as follows:

	Arizona Municipal Fund	Colorado Insured Municipal Fund	Florida Insured Municipal Fund
	-----	-----	-----
SIX MONTHS ENDED 9/30/05*			
Tax-exempt income	\$1,650,156	\$2,808,636	\$1,462,940
Long-term capital gain	64,461	--	26,626
	-----	-----	-----
Total	\$1,714,617	\$2,808,636	\$1,489,566
	=====	=====	=====

*Tax information for the six months ended September 30, 2005 is an estimate and the tax character may be redesignated at fiscal year end.

YEAR ENDED 3/31/05

Tax-exempt income	\$3,210,970	\$5,245,675	\$2,745,766
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Ordinary income	84,725	14,636	--
Long-term capital gain	56,464	143,726	261,818
	-----	-----	-----
Total	\$3,352,159	\$5,404,037	\$3,007,584
	=====	=====	=====

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NOTES
TO FINANCIAL STATEMENTS (CONTINUED)

4. DIVIDEND AND DISTRIBUTION INFORMATION (CONTINUED)

The components of net assets are estimated since the final tax characteristics cannot be determined until fiscal year end. As of September 30, 2005, the estimated components of net assets on a tax basis were as follows:

	Arizona Municipal Fund	Colorado Insured Municipal Fund	Florida Insured Municipal Fund	
	-----	-----	-----	
Shares of beneficial interest	\$40,838,893	\$67,238,110	\$33,361,389	\$3
Undistributed ordinary income	--	--	--	--
Undistributed tax-exempt income	522,221	1,351,512	585,943	
Undistributed long-term gains	--	142,936	622,417	
Capital loss carryforward	(30,305)	--	--	--
Unrealized appreciation of investments	3,696,934	7,162,418	2,338,211	--
	-----	-----	-----	
Net assets	\$45,027,743	\$75,894,976	\$36,907,960	\$3
	=====	=====	=====	=====

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

For federal income tax purposes, capital loss carryforwards may be carried forward and applied against future capital gains. Capital loss carryforwards outstanding at March 31, 2005 will expire as follows:

	Minnesota Municipal Fund II	Minnesota Municipal Fund III
	-----	-----
2006	\$ --	\$ 6,539
2008	376,004	56,856
2009	175,804	153,308
2010	8,416	--
	-----	-----
Total	\$560,224	\$216,703
	=====	=====

For the six months ended September 30, 2005, each Fund had capital gains (losses), which may reduce (increase) the capital loss carryforwards as follows:

Arizona	Minnesota	Minnesota
---------	-----------	-----------

Municipal Fund	Municipal Fund II	Municipal Fund III
-----	-----	-----
\$ (30,305)	\$168,618	\$37,267

For financial reporting purposes, capital accounts are adjusted to reflect the tax character of permanent book/tax differences. For the six months ended September 30, 2005, the Funds recorded an estimate of these differences since the final tax characteristics cannot be determined until fiscal year end. Reclassifications are primarily due to tax treatment of market discount and premium on certain debt instruments. Results of operations and net assets were not affected by these reclassifications. For the six months ended September 30, 2005, the Funds recorded the following reclassifications.

	Arizona Municipal Fund	Minnesota Municipal Fund	Minnesota Municipal Fund II	Minnesota Municipal Fund III
	-----	-----	-----	-----
Accumulated net investment income	\$ (8,134)	\$ (512)	\$ (2,709)	\$ (1,248)
Accumulated net realized gain (loss)	8,134	512	2,709	1,248

5. CAPITAL STOCK

Pursuant to their articles of incorporation, Arizona Municipal Fund, Colorado Insured Municipal Fund, Minnesota Municipal Fund, Minnesota Municipal Fund II, and Minnesota Municipal Fund III each have 200 million shares of \$0.01 par value common shares authorized. Florida Insured Municipal Fund has been authorized to issue an unlimited amount of \$0.01 par value common shares. The Funds did not repurchase any shares under the Share Repurchase Program during the six months ended September 30, 2005. Shares issuable under the Funds' dividend reinvestment plan are purchased by the Funds' transfer agent, Mellon Investor Services, LLC, in the open market.

For the six months ended September 30, 2005, the Funds did not have any transactions in common shares.

The Funds each have one million shares of \$0.01 par value preferred shares authorized, except for Florida Insured Municipal Fund, which has an unlimited amount of \$0.01 par value preferred shares authorized. Under resolutions adopted by the Board of Directors, Minnesota Municipal Fund is allowed to issue up to 400 preferred shares, of which the entire amount was issued on August 6, 1992. On May 14, 1993, Minnesota Municipal Fund II, Arizona Municipal Fund and Florida Insured Municipal Fund issued 1,200, 500 and 400 preferred shares, respectively. On December 10, 1993, Minnesota Municipal Fund III issued 300 preferred shares and on September 23, 1993, Colorado Insured Municipal Fund issued 800 preferred shares. The preferred shares of each Fund have a liquidation preference of \$50,000 per share plus an amount equal to accumulated but unpaid dividends.

NOTES DELAWARE INVESTMENTS CLOSED-END MUNICIPAL BOND FUNDS TO FINANCIAL STATEMENTS (CONTINUED)

5. CAPITAL STOCK (CONTINUED)

Dividends for the outstanding preferred shares of each Fund are cumulative at a

rate established at the initial public offering and are typically reset every 28 days based on the results of an auction. Dividend rates (adjusted for any capital gain distributions) ranged during the six months ended September 30, 2005 as follows:

Fund	Low	High
----	---	----
Arizona Municipal Fund	2.10%	to 2.95%
Colorado Insured Municipal Fund	1.00%	to 2.85%
Florida Insured Municipal Fund	2.10%	to 3.00%
Minnesota Municipal Fund	1.75%	to 2.95%
Minnesota Municipal Fund II	1.90%	to 3.05%
Minnesota Municipal Fund III	2.20%	to 3.00%

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

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

6. CREDIT AND MARKET RISKS

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

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

The Funds may invest in inverse floating rate securities ("inverse floaters"), a type of derivative tax-exempt obligation with floating or variable interest rates that move in the opposite direction of short-term interest rates, usually at an accelerated speed. Consequently, the market values of inverse floaters will generally be more volatile than other tax-exempt investments. Such

securities are denoted on the Statements of Net Assets.

Each Fund 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 or less from the issuance of the refunding issue is known as a "current refunding". "Advance refunded bonds" are bonds in which the refunded bond issue remains outstanding for more than 90 days following the issuance of the refunding issue. In an advance refunding, the issuer will use the proceeds of a new bond issue to purchase high grade interest bearing debt securities which are then deposited in an irrevocable escrow account held by an escrow agent to secure all future payments of principal and interest and bond premium of the advance refunded bond. Bonds are "escrowed to maturity" when the proceeds of the refunding issue are deposited in an escrow account for investment sufficient to pay all of the principal and interest on the original interest payment and maturity dates. Bonds are considered "pre-refunded" when the refunding issue's proceeds are escrowed only until a permitted call date or dates on the refunded issue with the refunded issue being redeemed at the time, including any required premium. Bonds become "defeased" when the rights and interests of the bondholders and of their lien on the pledged revenues or other security under the terms of the bond contract are substituted with an alternative source of revenues (the escrow securities) sufficient to meet payments of principal and interest to maturity or to the first call dates. Escrowed secured bonds will often receive a rating of AAA from Moody's Investors Service, Inc., Standard & Poor's Ratings Group, and/or Fitch due to the strong credit quality of the escrow securities and the irrevocable nature of the escrow deposit agreement.

Each Fund may invest up to 15% of its total assets in illiquid securities, which may include securities with contractual restrictions on resale, securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended, and other securities which may not be readily marketable. The relative illiquidity of these securities may impair each Fund from disposing of them in a timely manner and at a fair price when it is necessary or desirable to do so. At September 30, 2005, there were no Rule 144A securities and no securities have been determined to be illiquid under the Funds' Liquidity Procedures. While maintaining oversight, each Fund's Board of Directors/Trustees has delegated to DMC the day-to-day functions of determining whether individual securities are liquid for purposes of a Funds' limitation on investments in illiquid assets.

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NOTES
TO FINANCIAL STATEMENTS (CONTINUED)

7. 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.

8. SUBSEQUENT EVENT.

On August 18, 2005, the Board of Directors of each of the Minnesota Municipal Income Fund, Minnesota Municipal Income Fund II and Minnesota Municipal Income

Fund III approved an Agreement and Plan of Acquisition among Minnesota Municipal Income Fund and Minnesota Municipal Income Fund III (each, an "Acquired Fund," and collectively, the "Acquired Funds") and Minnesota Municipal Income Fund II (the "Acquiring Fund") and DMC providing for (i) the acquisition by the Acquiring Fund of substantially all of the assets of the Acquired Funds in exchange for common and/or preferred shares of the Acquiring Fund; (ii) the pro rata distribution of those Acquiring Fund common and/or preferred shares to shareholders of the Acquired Funds; and (iii) the subsequent dissolution of the Acquired Funds (the "Reorganization"). The Reorganization is designed to be a tax-free merger of investment companies. If approved by shareholders of both the Acquired and Acquiring Funds, it is expected that the Reorganization would close by the end of the first quarter of 2006.

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OTHER
FUND INFORMATION

DELAWARE INVESTMENTS CLOSED-END MUNICIPAL BOND FUNDS

PROXY RESULTS

The shareholders of Delaware Investments Arizona Municipal Income Fund, Inc., Delaware Investments Colorado Insured Municipal Income Fund, Inc., Delaware Investments Florida Insured Municipal Income Fund, Delaware Investments Minnesota Municipal Income Fund, Inc., Delaware Investments Minnesota Municipal Income Fund II, Inc., and Delaware Investments Minnesota Municipal Income Fund III, Inc. (each, a "Fund") voted on the following proposals (as applicable) at the special meeting of shareholders on August 17, 2005 or as adjourned. The description of each proposal and number of shares voted are as follows:

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

	Common Shareholders	
	Shares Voted For	Shares Voted Withheld Authority
DELAWARE INVESTMENTS ARIZONA MUNICIPAL INCOME FUND, INC.		
Thomas L. Bennett	2,893,182	37,402
Jude T. Driscoll	2,891,869	38,715
John A. Fry	2,884,269	46,315
Anthony D. Knerr	2,883,419	47,165
Lucinda S. Landreth	2,893,945	36,639
Ann R. Leven	2,880,212	50,372
Thomas F. Madison	--	--
Janet L. Yeomans	--	--
J. Richard Zecher	2,893,256	37,328
	Common Shareholders	
	Shares Voted For	Shares Voted Withheld Authority
DELAWARE INVESTMENTS COLORADO INSURED MUNICIPAL INCOME FUND, INC.		
Thomas L. Bennett	4,671,142	55,899
Jude T. Driscoll	4,681,327	45,714
John A. Fry	4,679,877	47,164
Anthony D. Knerr	4,678,877	48,164

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Lucinda S. Landreth	4,671,192	55,849
Ann R. Leven	4,678,927	48,114
Thomas F. Madison	--	--
Janet L. Yeomans	--	--
J. Richard Zecher	4,668,577	58,464

Common Shareholders

Shares Voted For	Shares Voted Withheld Authority
------------------------	---------------------------------------

DELAWARE INVESTMENTS FLORIDA INSURED MUNICIPAL INCOME FUND

Thomas L. Bennett	2,323,556	15,639
Jude T. Driscoll	2,324,114	15,081
John A. Fry	2,325,039	14,156
Anthony D. Knerr	2,323,114	16,081
Lucinda S. Landreth	2,323,556	15,639
Ann R. Leven	2,324,039	15,156
Thomas F. Madison	--	--
Janet L. Yeomans	--	--
J. Richard Zecher	2,326,139	13,056

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OTHER DELAWARE INVESTMENTS CLOSED-END MUNICIPAL BOND FUNDS FUND INFORMATION (CONTINUED)

Common Shareholders

Shares Voted For	Shares Voted Withheld Authority
------------------------	---------------------------------------

DELAWARE INVESTMENTS MINNESOTA MUNICIPAL INCOME FUND, INC:

Thomas L. Bennett	2,438,161	21,888
Jude T. Driscoll	2,436,721	23,328
John A. Fry	2,438,621	21,428
Anthony D. Knerr	2,438,621	21,428
Lucinda S. Landreth	2,436,846	23,203
Ann R. Leven	2,439,206	20,843
Thomas F. Madison	--	--
Janet L. Yeomans	--	--
J. Richard Zecher	2,438,161	21,888

Common Shareholders

Shares Voted For	Shares Voted Withheld Authority
------------------------	---------------------------------------

DELAWARE INVESTMENTS MINNESOTA MUNICIPAL INCOME FUND II, INC.

Thomas L. Bennett	6,780,214	60,581
Jude T. Driscoll	6,782,186	58,609
John A. Fry	6,782,520	58,275
Anthony D. Knerr	6,781,138	59,657
Lucinda S. Landreth	6,779,912	60,883
Ann R. Leven	6,781,130	59,665

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Thomas F. Madison	--	--
Janet L. Yeomans	--	--
J. Richard Zecher	6,779,880	60,915

Common Shareholders

	Shares Voted For	Shares Voted Withheld Authority
DELAWARE INVESTMENTS MINNESOTA MUNICIPAL INCOME FUND III, INC.		
Thomas L. Bennett	1,694,810	29,397
Jude T. Driscoll	1,694,810	29,397
John A. Fry	1,694,810	29,397
Anthony D. Knerr	1,694,810	29,397
Lucinda S. Landreth	1,694,810	29,397
Ann R. Leven	1,694,810	29,397
Thomas F. Madison	--	--
Janet L. Yeomans	--	--
J. Richard Zecher	1,694,810	29,397

BOARD CONSIDERATION OF DELAWARE INVESTMENTS CLOSED-END MUNICIPAL BOND FUNDS INVESTMENT ADVISORY AGREEMENT

At a meeting held on May 18-19, 2005 (the "Annual Meeting"), the Board of Directors, including a majority of disinterested or independent Directors, and the Board of Trustees, including a majority of disinterested or independent Trustees for the Delaware Investments Florida Insured Municipal Income Fund, (a "Fund"); approved the renewal of the Investment Advisory Agreements for the Delaware Investments Arizona Municipal Income Fund, Inc.; Delaware Investments Colorado Insured Municipal Income Fund, Inc.; Delaware Investments Minnesota Municipal Income Fund, Inc.; Delaware Investments Minnesota Municipal Income Fund II, Inc.; and Delaware Investments Minnesota Municipal Income Fund III, Inc. (each a "Fund" and together with Delaware Investments Florida Insured Municipal Income Fund the "Funds"). In making its decision, the Board considered information furnished throughout the year at regular Board meetings, as well as information prepared specifically in connection with the Annual Meeting. Information furnished and discussed throughout the year included reports detailing Fund performance, investment strategies, expenses, compliance matters and other services provided by Delaware Management Company ("DMC"), the investment advisor. Information furnished specifically in connection with the Annual Meeting included materials provided by DMC and its affiliates ("Delaware Investments") concerning, among other things, the level of services provided to the Funds, the costs of such services to the Funds, economies of scale and the financial condition and profitability of Delaware Investments. In addition, in connection with the Annual Meeting, the Board separately received and reviewed independent historical and comparative reports prepared by Lipper Inc. ("Lipper"), an independent statistical compilation organization. The Lipper reports compared each Fund's investment performance and expenses with those of other comparable mutual funds. The Board also requested and received certain supplemental

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OTHER DELAWARE INVESTMENTS CLOSED-END MUNICIPAL BOND FUNDS FUND INFORMATION (CONTINUED)

information regarding management's policy with respect to advisory fee levels and its philosophy with respect to breakpoints; the structure of portfolio manager compensation; the investment manager's profitability organized by client

type, including the Funds; and any constraints or limitations on the availability of securities in certain investment styles which might inhibit the advisor's ability to fully invest in accordance with the Funds' policies.

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

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

INVESTMENT PERFORMANCE. The Board considered the investment performance of DMC and the Funds. The Board was pleased by DMC's investment performance, noting Barron's ranking of the Delaware Investments Family of Funds in the top quartile of mutual fund families for 2002 -- 2004. The Board placed significant emphasis on the investment performance of the Funds in view of its importance to shareholders. While consideration was given to performance reports and discussions with portfolio managers at Board meetings throughout the year, particular attention in assessing performance was given to the Lipper reports furnished for the Annual Meeting. The Lipper reports prepared for each Fund showed the investment performance of its shares in comparison to a group of similar funds as selected by Lipper (the "Performance Universe"). A fund with the highest performance is ranked first, and a fund with the lowest is ranked last. The highest/best performing 25% of funds in the Performance Universe make up the first quartile; the next 25% -- the second quartile; the next 25% -- the third quartile; and the lowest/worst performing 25% of funds in the Performance Universe make up the fourth quartile. Comparative annualized performance for the Funds was shown for the past one, three, five and 10 year periods ended February 28, 2005. The Board noted its objective that each Fund's performance be at or above the median of its Performance Universe. The following paragraphs summarize the performance results for the Funds and the Board's view of such performance.

Delaware Investments Arizona Municipal Income Fund, Inc. -- The Performance

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

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

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

Delaware Investments Minnesota Municipal Income Fund, Inc. -- The Performance Universe for this Fund consisted of the Fund and all leveraged closed-end Minnesota municipal debt funds as selected by Lipper. The Lipper report comparison showed that the Fund's total return for the one period was in the second quartile of such Performance Universe. The report further showed that the Fund's total return for the three, five and 10 year periods was in the fourth quartile. The Board noted that the Fund's performance results were mixed. The Board also noted that DMC serves as advisor to three of the five funds in the Performance Universe. Accordingly, poor relative performance can be misleading. Given the size and composition of the Performance Universe, the Board was satisfied with the Fund's performance results.

Delaware Investments Minnesota Municipal Income Fund II, Inc. -- The Performance Universe for this Fund consisted of the Fund and all leveraged closed-end Minnesota municipal debt funds as selected by Lipper. The Lipper report comparison showed that the Fund's total return for the one,

OTHER DELAWARE INVESTMENTS CLOSED-END MUNICIPAL BOND FUNDS
FUND INFORMATION (CONTINUED)

three, five and 10 year periods was in the first quartile of such Performance Universe. The Board was satisfied with such performance.

Delaware Investments Minnesota Municipal Income Fund III, Inc. -- The Performance Universe for this Fund consisted of the Fund and all leveraged closed-end Minnesota municipal debt funds as selected by Lipper. The Lipper report comparison showed that the Fund's total return for the one year period was in the third quartile of such Performance Universe. The report further showed that the Fund's total return for the three, five and 10 year periods was in the first quartile. The Board noted that the Fund's performance results were mixed. The Board also noted that DMC serves as advisor to three of the five funds in the Performance Universe. Accordingly, poor relative performance can be misleading. Given the size and composition of the Performance Universe, the Board was satisfied with the Fund's performance results.

COMPARATIVE EXPENSES. The Board considered expense comparison data for the Delaware Investments Family of Funds, Delaware Investments' institutional separate account business and other lines of business at Delaware Investments. The Board stated its belief that, given the differing level of service provided to Delaware Investments' various clients and other factors that related to the establishment of fee levels, variations in the levels of fees and expenses were justified. The Board placed significant emphasis on the comparative analysis of the management fees and total expense ratios of each Fund compared with those of a group of similar leveraged closed-end funds as selected by Lipper (the "Expense Group") and among the other Delaware Investments funds. In reviewing comparative costs, each Fund's contractual management fee and the actual management fee incurred by the Fund were compared with the contractual management fees (assuming all funds in the Expense Group were similar in size to the Fund) and actual management fees (as reported by each fund) of other funds within the Expense Group, taking into effect any applicable breakpoints and fee waivers. Each Fund's total expenses were also compared with those of its Expense Group. The Board noted its objective to limit each Fund's total expense ratio to an acceptable range as compared to the median of the Expense Group. The following paragraphs summarize the expense results for the Funds and the Board's view of such expenses.

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

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

Delaware Investments Florida Insured Municipal Income Fund -- The expense comparisons for the Fund showed that its management fee was in the quartile with the second lowest expenses of its Expense Group and its total expenses were in the quartile with the second highest of its Expense Group. The Board gave favorable consideration to the Fund's management fee, but noted that the Fund's total expenses were not in line with the Board's objective. In evaluating the total expenses, the Board considered management's plans to implement an expense cap as of June 1, 2005. The Board was satisfied with management's efforts to improve the Fund's total expense ratio and bring it in line with the Board's objective.

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

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

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

MANAGEMENT PROFITABILITY. The Board considered the level of profits, if any, realized by Delaware Investments in connection with the operation of the Funds. In this respect, the Board reviewed the Investment Management Profitability Analysis that addressed the overall profitability of Delaware Investments' business in providing management and other services to each of the individual funds and the Delaware Investments Family of Funds as a whole. Specific attention was given to the methodology followed in allocating costs for the purpose of determining profitability. Management stated that the level of profits of Delaware Investments, to a certain extent, reflected operational cost savings and efficiencies initiated by Delaware Investments. The Board considered Delaware Investments' expenditures to improve services provided to fund shareholders and to meet additional regulatory and compliance requirements resulting from the Sarbanes-Oxley Act and recent SEC initiatives. The Board also considered the extent to which Delaware Investments might derive ancillary benefits from fund operations, including the potential for procuring additional business as a result of the prestige and visibility associated with its role as service provider to the Delaware Investments Family of Funds, the benefits from allocation of fund brokerage to improve trading efficiencies and the use of "soft" commission dollars to pay for proprietary and non-proprietary research. At the Board's request, management also provided information relating to Delaware Investments' profitability by client type. The information provided set forth the revenue, expenses and pre-tax income/loss attributable to the Delaware Investments Family of Funds, Delaware Investments' separate account business and other lines of business at Delaware Investments. Emphasis was given to the level and type of service provided to the various clients. The Board was satisfied with the level of profits realized by Delaware Investments from the relationships with the Funds and the Delaware Investments Family of Funds.

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

ABOUT THE ORGANIZATION

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

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time-to-time, purchase shares of its common stock on the open market at market prices.

BOARD OF TRUSTEES

JUDE T. DRISCOLL
Chairman
Delaware Investments Family of Funds
Philadelphia, PA

THOMAS L. BENNETT
Private Investor
Rosemont, PA

JOHN A. FRY
President
Franklin & Marshall College
Lancaster, PA

ANTHONY D. KNERR
Managing Director
Anthony Knerr & Associates
New York, NY

LUCINDA S. LANDRETH
Former Chief Investment Officer
Assurant, Inc.
Philadelphia, PA

ANN R. LEVEN
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National Gallery of Art
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President and Chief Executive Officer
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JANET L. YEOMANS
Vice President/Mergers & Acquisitions
3M Corporation
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J. RICHARD ZECHER
Founder
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Deputy General Counsel and Secretary
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Philadelphia, PA

DAVID P. O'CONNOR
Senior Vice President,
General Counsel and Chief Legal Officer
Delaware Investments Family of Funds
Philadelphia, PA

JOHN J. O'CONNOR
Senior Vice President and Treasurer
Delaware Investments Family of Funds
Philadelphia, PA

Each Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. Each Fund's Forms N-Q, as well as a description of the policies and procedures that each Fund uses to determine how to vote proxies (if any) relating to portfolio securities is available without charge (i) upon request, by calling 800 523-1918; (ii) on each Fund's Web site at <http://www.delawareinvestments.com>; and (iii) on the Commission's Web site at <http://www.sec.gov>. Each Fund's Forms N-Q may be reviewed and copied at the Commission's Public Reference Room in Washington, DC; information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

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

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WEB SITE
www.delawareinvestments.com

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Item 2. Code of Ethics

Not applicable.

Item 3. Audit Committee Financial Expert

Not applicable.

Item 4. Principal Accountant Fees and Services

Not applicable.

Item 5. Audit Committee of Listed Registrants

Not applicable.

Item 6. Schedule of Investments

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

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

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

Not applicable.

Item 11. Controls and Procedures

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

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

Item 12. Exhibits

(a) (1) Code of Ethics

Not applicable.

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

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

Not applicable.

(b) Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 are

furnished herewith as Exhibit 99.906CERT.

SIGNATURES

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

DELAWARE INVESTMENTS MINNESOTA MUNICIPAL INCOME FUND III, INC.

Jude T. Driscoll

By: Jude T. Driscoll
Title: Chief Executive Officer
Date: December 7, 2005

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.

Jude T. Driscoll

By: Jude T. Driscoll
Title: Chief Executive Officer
Date: December 7, 2005

Michael P. Bishof

By: Michael P. Bishof
Title: Chief Financial Officer
Date: December 7, 2005