

## Schedule of Investments (Unaudited)

### Delaware Tax-Free Minnesota Fund

November 30, 2009

	Principal Amount	Value
<b>Municipal Bonds – 98.61%</b>		
<i>Corporate-Backed Revenue Bonds – 4.04%</i>		
Cloquet Pollution Control Revenue Refunding (Potlatch Project) 5.90% 10/1/26	\$6,500,000	\$5,930,210
Laurentian Energy Authority I Cogeneration Revenue Series A 5.00% 12/1/21	8,000,000	7,651,920
Sartell Environmental Improvement Revenue Refunding (International Paper) Series A 5.20% 6/1/27	7,265,000	6,625,825
Seaway Port Authority of Duluth Industrial Development Dock & Wharf Revenues (Cargill Project) Series E 6.125% 11/1/14	4,500,000	<u>4,520,025</u>
		<u>24,727,980</u>
<i>Education Revenue Bonds – 5.69%</i>		
Minnesota Colleges & Universities Revenue Fund Series A 5.00% 10/1/22 (FSA)	5,135,000	5,371,980
5.00% 10/1/28	8,900,000	9,642,705
5.00% 10/1/29 (NATL-RE)	5,665,000	5,958,447
Minnesota Higher Education Facilities Authority Revenue (Augsburg College) Series 6-C 5.00% 5/1/20	1,250,000	1,263,763
Series 6-J1 5.00% 5/1/36	2,225,000	2,062,108
(Bethel University) Refunding Series 6-R 5.50% 5/1/37	2,500,000	2,298,200
(Carleton College) Series 6-T 5.00% 1/1/28	1,000,000	1,059,260
(University of St. Thomas) Series 6-X 5.25% 4/1/39	5,000,000	5,127,800
St. Cloud Housing & Redevelopment Authority Revenue (State University Foundation Project) 5.00% 5/1/23	2,000,000	<u>2,058,640</u>
		<u>34,842,903</u>
<i>Electric Revenue Bonds – 7.03%</i>		
Chaska Electric Revenue Refunding (Generating Facilities) Series A 5.00% 10/1/30	3,000,000	3,052,950
Minnesota Municipal Power Agency Electric Revenue 5.00% 10/1/35	3,000,000	3,028,500
Series A 5.00% 10/1/34	6,250,000	6,316,438
5.125% 10/1/29	3,000,000	3,080,490
Northern Municipal Power Agency Electric System Revenue Refunding Series A		
5.00% 1/1/14 (ASSURED GTY)	1,000,000	1,119,220
5.00% 1/1/16 (ASSURED GTY)	3,000,000	3,377,610
Series B 4.75% 1/1/20 (AMBAC)	2,500,000	2,506,450
Puerto Rico Electric Power Authority Power Revenue Refunding Series GG 4.75% 7/1/21 (FSA)	1,000,000	1,005,480
Series TT 5.00% 7/1/37	2,500,000	2,290,400
Series WW 5.50% 7/1/38	4,800,000	4,731,696
Southern Minnesota Municipal Power Agency Supply System Revenue Series A 5.25% 1/1/15 (AMBAC)	8,900,000	10,021,133
^Capital Appreciation 4.44% 1/1/25 (NATL-RE)	5,000,000	<u>2,532,550</u>
		<u>43,062,917</u>
<i>Escrowed to Maturity Bonds – 9.07%</i>		
Dakota-Washington Counties Housing & Redevelopment Authority Single Family Residential Mortgage Revenue 8.15% 9/1/16 (GNMA) (NATL-RE) (AMT)	405,000	543,866
(Anoka County) 8.45% 9/1/19 (GNMA) (AMT)	9,000,000	12,805,110
(Bloomington Mortgage) Refunding Series B 8.375% 9/1/21 (GNMA) (FHA) (VA) (AMT)	14,115,000	20,504,154
Southern Minnesota Municipal Power Agency Power Supply System Revenue Refunding Series B 5.50% 1/1/15 (AMBAC)	990,000	1,052,123
University of Minnesota Series A 5.50% 7/1/21	12,500,000	14,604,125
5.75% 7/1/18	3,840,000	4,592,256
Western Minnesota Municipal Power Agency Supply Revenue Series A 6.60% 1/1/10	440,000	442,411
9.75% 1/1/16 (NATL-RE)	715,000	<u>987,394</u>
		<u>55,531,439</u>
<i>Health Care Revenue Bonds – 14.90%</i>		
Aitkin Health Care Facilities Revenue Refunding (Riverwood Health Care Center) 5.60% 2/1/32	2,100,000	1,809,066

## (Unaudited)

Apple Valley Economic Development Authority Health Care Revenue (Augustana Home St. Paul Project) Series A 6.00% 1/1/40	2,700,000	2,341,683
Bemidji Health Care Facilities First Mortgage Revenue (North Country Health Services) 5.00% 9/1/24 (RADIAN)	740,000	723,335
5.00% 9/1/31 (RADIAN)	500,000	457,800
Breckenridge Catholic Health Initiatives Series A 5.00% 5/1/30	2,500,000	2,528,525
Maple Grove Health Care System Revenue (Maple Grove Hospital) 5.25% 5/1/37	2,950,000	2,774,623
Minneapolis Health Care Facility Revenue (Jones-Harrison Residence Project) 5.60% 10/1/30	1,050,000	898,139
Minneapolis Health Care System Revenue (Fairview Health Services) Series A 6.625% 11/15/28	3,000,000	3,392,430
Series B 6.50% 11/15/38 (ASSURED GTY)	1,140,000	1,263,097
Series D 5.00% 11/15/30 (AMBAC)	2,500,000	2,474,325
5.00% 11/15/34 (AMBAC)	10,750,000	10,220,562
Minneapolis - St. Paul Housing & Redevelopment Authority Health Care System Revenue (Health Partners Obligation Group Project) 5.875% 12/1/29	1,000,000	1,004,410
Minnesota Agricultural & Economic Development Board Revenue (Benedictine Health Systems) 5.75% 2/1/29	1,895,000	1,684,503
(Fairview Health Care System) Un-Refunded Balance Series A 5.75% 11/15/26 (NATL-RE)	180,000	180,050
6.375% 11/15/29	15,000	15,297
Northfield Hospital Revenue 5.375% 11/1/26	3,785,000	3,554,645
Shakopee Health Care Facilities Revenue (St. Francis Regional Medical Center) 5.10% 9/1/25	2,000,000	1,918,280
5.25% 9/1/34	7,000,000	6,411,020
Sherburne County Health Care Facilities Revenue (Guardian Angels Health Services) 5.55% 10/1/36	1,500,000	1,238,160
St. Cloud Health Care Revenue (Centracare Health System Project) Series D Remarketing 5.50% 5/1/39 (ASSURED GTY)	6,000,000	6,116,760
St. Louis Park Health Care Facilities Revenue Refunding (Park Nicollet Health Services) Series C 5.50% 7/1/23	3,000,000	3,146,220
5.75% 7/1/30	5,000,000	5,188,250
St. Paul Housing & Redevelopment Authority Health Care Revenue (Allina Health System) Series A 5.00% 11/15/18 (NATL-RE)	5,720,000	5,948,228
Series A-1 5.25% 11/15/29	5,605,000	5,597,994
(Health Partners Obligation Group Project) 5.25% 5/15/36	7,900,000	7,032,895
St. Paul Housing & Redevelopment Authority Hospital Revenue (Health East Project) 6.00% 11/15/30	4,000,000	3,636,840
6.00% 11/15/35	4,340,000	3,837,862
Series A 5.70% 11/1/15	1,150,000	1,141,410
St. Paul Housing and Redevelopment Authority Multifamily Housing Revenue Refunding (Marion Center Project) Series A 5.30% 11/1/30	500,000	406,765
5.375% 5/1/43	500,000	398,640
Stillwater Health Care Revenue (Health System Obligation Group) 5.00% 6/1/35	1,000,000	922,870
Washington County Housing & Redevelopment Authority Revenue (Health East Project) 5.50% 11/15/27	1,000,000	897,820
Willmar (Rice Memorial Hospital Project) 5.00% 2/1/22 (FSA)	1,000,000	1,070,610
5.00% 2/1/25 (FSA)	1,000,000	1,028,210
		<u>91,261,324</u>
<i>Housing Revenue Bonds – 7.49%</i>		
Brooklyn Center Multifamily Housing Revenue Refunding (Shingle Creek) 5.40% 5/20/43 (GNMA) (AMT)	1,000,000	1,001,880
Dakota County Housing & Redevelopment Authority Single Family Mortgage Revenue 5.85% 10/1/30 (GNMA) (FNMA) (AMT)	113,000	113,061
@Hutchinson Multifamily Housing Revenue (Evergreen Apartments Project) 5.75% 11/1/28 (HUD Section 8)	740,000	612,106
Minneapolis Multifamily Housing Revenue (Bottineau Commons Project) 5.45% 4/20/43 (GNMA) (AMT)	1,500,000	1,503,900
(Grant Street Apartments Project) Series A 7.25% 11/1/29	750,000	755,318
(Seward Towers Project) 5.00% 5/20/36 (GNMA)	8,000,000	8,018,879
(Sumner Field) Series A 5.50% 11/20/26 (GNMA) (AMT)	890,000	904,098
(Trinity Apartments) Refunding Series A 6.75% 5/1/21 (HUD Section 8)	1,535,000	1,538,285
Minnesota Housing Finance Agency Rental Housing Revenue Series C-2 5.95% 2/1/15 (AMBAC)	1,495,000	1,497,990
Minnesota Housing Finance Agency Residential Housing Series A 5.30% 7/1/19	470,000	478,704

## (Unaudited)

Series B-1 5.35% 1/1/33 (AMT)	2,750,000	2,752,338
*Series D 4.80% 7/1/38 (AMT)	2,500,000	2,292,850
Series I 4.85% 7/1/38 (AMT)	2,000,000	1,848,820
Series I 5.15% 7/1/38 (AMT)	5,530,000	5,384,506
Series L 5.10% 7/1/38 (AMT)	9,910,000	9,520,833
Series M 4.875% 7/1/37(AMT)	4,500,000	4,193,370
Single Family Mortgage Series J 5.90% 7/1/28 (AMT)	345,000	345,197
@St. Cloud Housing & Redevelopment Authority Multifamily Housing Revenue (Sterling Heights Apartments Project) 7.55% 4/1/39 (AMT)	1,000,000	844,650
@Washington County Housing & Redevelopment Authority Governmental Revenue Refunding (Briar Pond Project) Series C 7.25% 8/20/34	925,000	752,247
White Bear Lake Multifamily Revenue Refunding (Lake Square) Series A 5.875% 2/1/15 (FHA)	740,000	741,421
Willmar Housing & Redevelopment Authority Multifamily Housing Revenue (Highland Apartments) 5.85% 6/1/19 (HUD Section 8)	785,000	<u>784,914</u>
		<u>45,885,367</u>
<i>Lease Revenue Bonds – 3.45%</i>		
Minneapolis Special School District #001 Series A		
5.00% 2/1/18 (FSA)	1,545,000	1,645,935
5.00% 2/1/19 (FSA)	1,535,000	1,635,282
5.00% 2/1/20 (FSA)	1,690,000	1,800,408
Puerto Rico Public Buildings Authority Revenue (Guaranteed Government Facilities) Un-Refunded Balance Series D 5.25% 7/1/36	1,070,000	983,886
St. Paul Port Authority Lease Revenue (Cedar Street Office Building Project)		
5.00% 12/1/22	2,500,000	2,594,800
5.25% 12/1/27	3,840,000	3,967,948
Series 3-12 5.125% 12/1/27 (Robert Street Office Building Project)	3,000,000	3,116,940
Series 3-11 4.75% 12/1/23	2,000,000	2,067,840
Series 3-11 5.00% 12/1/27	2,500,000	2,586,025
Series 9 5.25% 12/1/27	725,000	<u>749,157</u>
		<u>21,148,221</u>
<i>Local General Obligation Bonds – 21.72%</i>		
Anoka County Capital Improvement Series A		
5.00% 2/1/19	1,270,000	1,487,348
5.00% 2/1/22	500,000	566,335
Big Lake Independent School District #727 Series A		
5.00% 2/1/17 (FSA)	1,040,000	1,047,384
5.00% 2/1/20 (FSA)	1,000,000	1,007,100
Bloomington Independent School District # 271 Series B 5.00% 2/1/17	5,300,000	5,337,630
Centennial Independent School District #012 Series A 5.00% 2/1/18 (FSA)	1,270,000	1,368,920
Dakota County Capital Improvement Series A 4.75% 2/1/26	1,000,000	1,014,670
Dakota County Community Development Agency (Senior Housing Facilities) 5.00% 1/1/21	1,275,000	1,313,378
Farmington Independent School District #192 Series B		
5.00% 2/1/27 (FSA)	10,705,000	11,371,922
^Capital Appreciation 5.34% 2/1/21 (FSA)	1,500,000	888,495
^Capital Appreciation 5.424% 2/1/20 (FSA)	1,650,000	1,030,838
Hennepin County Regional Railroad Authority 5.00% 12/1/31	4,030,000	4,073,363
Lakeville Independent School District #194		
^Capital Appreciation Series B 5.45% 2/1/19 (FSA)	8,000,000	4,898,480
Series A 4.75% 2/1/22 (FSA)	6,850,000	7,131,604
^Mahtomedi Independent School District #832 Capital Appreciation Series B 5.90% 2/1/14 (NATL-RE)	1,540,000	1,421,127
Metropolitan Council Minneapolis-St. Paul Metropolitan Area Waste Water Treatment		
Series B 5.00% 12/1/21	1,200,000	1,333,392
Series C		
5.00% 3/1/16	2,440,000	2,873,173
5.00% 3/1/28	5,000,000	5,369,700
Minneapolis Library 5.00% 12/1/25	1,500,000	1,565,655
Morris Independent School District #769 Building 5.00% 2/1/24 (NATL-RE)	4,875,000	5,368,594
Mounds View Independent School District #621 Series A		
5.00% 2/1/20 (NATL-RE)	2,970,000	3,194,710
5.375% 2/1/24 (FGIC)	6,170,000	6,478,747
New Brighton Tax Increment Series A 5.00% 2/1/27 (NATL-RE)	1,000,000	1,076,920
Osseo Independent School District #279 Series A 5.00% 2/1/21 (FSA)	3,570,000	3,803,228
Prior Lake Independent School District #719 Series B 5.00% 2/1/19 (FSA)	3,145,000	3,406,538
Ramsey County State Aid Series C 5.00% 2/1/28	1,060,000	1,103,216
Robbinsdale Independent School District #281 5.00% 2/1/21 (FSA)	1,310,000	1,401,661

## (Unaudited)

Rockford Independent School District #883		
5.60% 2/1/21 (FSA)	3,210,000	3,236,033
5.625% 2/1/23 (FSA)	7,020,000	7,077,213
^Rosemount Independent School District #196 Capital Appreciation Series B		
5.85% 4/1/10 (FSA)	2,240,000	2,235,408
5.931% 4/1/11 (FSA)	2,600,000	2,573,792
5.961% 4/1/12 (FSA)	1,850,000	1,799,847
6.008% 4/1/13 (FSA)	1,915,000	1,817,354
^Sartell Independent School District #748 Capital Appreciation Refunding Series B		
5.976% 2/1/13 (NATL-RE)	540,000	506,914
6.10% 2/1/15 (NATL-RE)	1,075,000	928,327
6.15% 2/1/16 (NATL-RE)	1,750,000	1,436,628
^Sauk Rapids Independent School District #047 Series B		
5.983% 2/1/15 (FSA)	2,700,000	2,098,791
6.083% 2/1/17 (FSA)	2,245,000	1,544,470
South Washington County Independent School District #833 Series A		
4.75% 2/1/25	2,500,000	2,686,050
4.75% 2/1/26	3,600,000	3,849,840
4.75% 2/1/27	2,300,000	2,447,959
5.60% 2/1/20 (NATL-RE)	6,880,000	6,935,797
St. Michael Independent School District #885		
5.00% 2/1/20 (FSA)	1,970,000	2,123,443
5.00% 2/1/27 (FSA)	3,435,000	3,702,552
St. Peter's Hospital Series A 5.00% 9/1/24 (NATL-RE)	1,905,000	1,955,006
Todd Morrison Cass & Wadena Counties Staples United Hospital District (Health Care Facilities-Lakewood)		
5.00% 12/1/21	2,000,000	2,076,080
5.125% 12/1/24	1,000,000	<u>1,032,690</u>
		<u>132,998,322</u>
§Pre-Refunded Bonds – 17.21%		
Chaska Electric Revenue Series A 6.00% 10/1/25-10	1,000,000	1,046,910
Duluth Economic Development Authority Health Care Facilities Revenue (Benedictine Health System - St. Mary's Hospital)		
5.25% 2/15/33-14	10,000,000	11,517,000
5.50% 2/15/23-14	1,000,000	1,161,850
Hopkins Housing & Redevelopment Authority (Public Works & Fire Station) Series A 5.00% 2/1/23-13 (NATL-RE)	1,210,000	1,362,920
Minneapolis Health Care System Revenue (Allina Health Systems) Series A 5.75% 11/15/32-12	17,300,000	19,754,871
(Fairview Health Services) Series A 5.625% 5/15/32-12	16,925,000	19,066,520
Minneapolis - St. Paul Metropolitan Airports Commission Revenue Series A 5.25% 1/1/32-11 (FGIC)	5,000,000	5,265,650
Series C 5.25% 1/1/32-11 (FGIC)	6,845,000	7,201,693
Minnesota Agricultural & Economic Development Revenue (Fairview Health Care System) Series A 6.375% 11/15/29-10	485,000	518,009
Minnesota State 5.00% 11/1/20-10 (FSA)	13,675,000	14,261,794
Rochester Electric Utilities Revenue 5.25% 12/1/30-10	4,915,000	5,154,901
Southern Minnesota Municipal Power Agency Power Supply Revenue Series A		
5.75% 1/1/18-13	3,790,000	4,099,226
5.75% 1/1/18-13 (AMBAC)	670,000	724,665
5.75% 1/1/18-13 (NATL-RE)	1,000,000	1,081,590
St. Louis Park Health Care Facilities Revenue (Park Nicollet Health Services) Series B		
5.25% 7/1/30-14	9,420,000	10,860,035
5.50% 7/1/25-14	2,000,000	<u>2,327,660</u>
		<u>105,405,294</u>
Special Tax Revenue Bonds – 3.74%		
Hennepin County Sales Revenue (Second Lien - Ballpark Project) Series B		
5.00% 12/15/19	2,100,000	2,393,097
5.00% 12/15/20	1,000,000	1,126,570
5.00% 12/15/24	1,150,000	1,263,724
Minneapolis Tax Increment Revenue Refunding (St. Anthony Falls Project) 5.75% 2/1/27	1,000,000	874,310
Puerto Rico Commonwealth Highway & Transportation Authority Revenue Series K 5.00% 7/1/30	5,605,000	5,190,398
Puerto Rico Commonwealth Infrastructure Financing Authority Special Tax Revenue Series B 5.00% 7/1/46	4,000,000	3,569,160
Puerto Rico Sales Tax Financing Corporation Sales Tax Revenue First Subordinate Series A		
•5.00% 8/1/39	925,000	961,889
5.75% 8/1/37	5,620,000	5,702,726
Virgin Islands Public Finance Authority Revenue (Senior Lien-Matching Fund Loan) Series A 5.25% 10/1/22	1,785,000	<u>1,811,257</u>
		<u>22,893,131</u>
State General Obligation Bonds – 2.84%		

## (Unaudited)

Minnesota State		
5.00% 10/1/15	5,000,000	5,885,550
5.00% 8/1/21	2,400,000	2,615,640
Series A 5.00% 12/1/21	5,000,000	5,821,500
Puerto Rico Commonwealth Public Improvement Un-Refunded Balance		
Series A 5.00% 7/1/34	1,670,000	1,488,054
Series B 5.00% 7/1/35	575,000	509,145
Puerto Rico Government Development Bank Senior Notes Series B 5.00% 12/1/14	1,000,000	1,053,090
		<u>17,372,979</u>
<i>Transportation Revenue Bonds – 1.14%</i>		
Minneapolis - St. Paul Metropolitan Airports Commission Revenue Series A		
5.00% 1/1/15 (AMT)	3,095,000	3,359,034
5.00% 1/1/22 (NATL-RE)	2,000,000	2,051,020
5.25% 1/1/16 (NATL-RE)	1,460,000	1,560,098
		<u>6,970,152</u>
<i>Water &amp; Sewer Revenue Bonds – 0.29%</i>		
Minnesota Public Facilities Authority Drinking Water Revenue Series B 5.25% 3/1/13	500,000	568,405
Minnesota Public Facilities Authority Water Pollution Control Revenue Refunding Series B 5.00% 3/1/19	1,000,000	1,185,090
		<u>1,753,495</u>
<b>Total Municipal Bonds (cost \$578,990,038)</b>		<b><u>603,853,524</u></b>
	<b>Number of</b>	
	<b>Shares</b>	
<b>Short-Term Investments – 0.26%</b>		
<i>Money Market Instrument – 0.14%</i>		
Federated Minnesota Municipal Cash Trust	870,546	870,546
		<u>870,546</u>
	<b>Principal</b>	
	<b>Amount</b>	
• <i>Variable Rate Demand Note – 0.12%</i>		
University of Minnesota Series C 0.27% 12/1/36 (SPA – JP Morgan Chase Bank)	\$700,000	700,000
		<u>700,000</u>
<b>Total Short-Term Investments (cost \$1,570,546)</b>		<b><u>1,570,546</u></b>
<b>Total Value of Securities – 98.87%</b>		
(cost \$580,560,584)		<b>605,424,070</b>
<b>Receivables and Other Assets Net of Liabilities (See Notes) – 1.13%</b>		<b><u>6,941,229</u></b>
<b>Net Assets Applicable to 49,574,115 Shares Outstanding – 100.00%</b>		<b><u>\$612,365,299</u></b>

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

•Variable rate security. The rate shown is the rate as of November 30, 2009.

§Pre-Refunded bonds. Municipals bonds that are generally backed or secured by U.S. Treasury bonds. For Pre-Refunded Bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 3 in "Notes."

@Illiquid security. At November 30, 2009, the aggregate amount of illiquid securities was \$2,209,003, which represented 0.36% of the Fund's net assets. See Note 3 in "Notes."

### Summary of Abbreviations:

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  
FHA – Insured by the Federal Housing Administration  
FNMA – Federal National Mortgage Association Collateral  
FSA – Insured by Financial Security Assurance  
GNMA – Government National Mortgage Association Collateral  
HUD – Housing and Urban Development  
NATL-RE – Insured by the National Public Finance Guarantee Corporation  
RADIAN – Insured by Radian Asset Assurance  
SPA – Stand-by Purchase Agreement  
VA – Veterans Administration Collateral

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## Notes

### 1. Significant Accounting Policies

## (Unaudited)

The following accounting policies are in accordance with U.S. generally accepted accounting principles (GAAP) and are consistently followed by Voyageur Tax-Free Funds – Delaware Tax-Free Minnesota Fund (Fund). This report covers the period of time since the Fund's last fiscal year end.

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

**Federal Income Taxes** – No provision for federal income taxes has been made as the Fund intends to continue to qualify for federal income tax purposes as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended, and make the requisite distributions to shareholders. The Fund evaluates tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. Management has analyzed the Fund's tax positions taken on federal income tax returns for all open tax years (tax years ended August 31, 2006 – August 31, 2009), and has concluded that no provision for federal income tax is required in the Fund's financial statements.

**Class Accounting** – Investment income and common expenses are allocated to the various classes of the Fund on the basis of "settled shares" of each class in relation to the net assets of the Fund. Realized and unrealized gain (loss) on investments are allocated to the various classes of the Fund on the basis of daily net assets of each class. Distribution expenses relating to a specific class are charged directly to that class.

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

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

On July 1, 2009, the Financial Accounting Standards Board (FASB) issued the FASB Accounting Standards Codification (Codification). The Codification became the single source of authoritative nongovernmental U.S. GAAP, superseding existing literature of the FASB, American Institute of Certified Public Accountants, Emerging Issues Task Force and other sources. The Codification is effective for interim and annual periods ending after September 15, 2009. The Fund adopted the Codification for the period ended November 30, 2009. There was no impact to financial statements as the Codification requirements are disclosure-only in nature.

Management has evaluated whether any events or transactions occurred subsequent to November 30, 2009 through January 25, 2010, the date of issuance of the Fund's schedule of portfolio holdings, and determined that there were no material events or transactions that would require recognition or disclosure in the Fund's schedule of portfolio holdings.

## 2. Investments

At November 30, 2009, the cost of investments for federal income tax purposes has been estimated since final tax characteristics cannot be determined until fiscal year end. At November 30, 2009, the cost of investments and unrealized appreciation (depreciation) for the Fund were as follows:

Cost of investments	<u>\$580,560,584</u>
Aggregate unrealized appreciation	34,161,980
Aggregate unrealized depreciation	<u>(9,298,494)</u>
Net unrealized appreciation	<u>\$ 24,863,486</u>

The Fund applies the provisions, as amended to date, of Accounting Standards Codification 820 (ASC 820), Fair Value Measurements and Disclosures. ASC 820 defines fair value as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. ASC 820 also establishes a framework for measuring fair value, and a three level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available under the circumstances. The Fund's investment in its entirety is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three-tier hierarchy of inputs is summarized below.

Level 1 – inputs are quoted prices in active markets

Level 2 – inputs are observable, directly or indirectly

Level 3 – inputs are unobservable and reflect assumptions on the part of the reporting entity

## (Unaudited)

The following table summarizes the valuation of the Fund's investments by the ASC 820 fair value hierarchy levels as of November 30, 2009:

	Level 1	Level 2	Total
Municipal Bonds	\$ -	\$604,553,524	\$604,553,524
Short-Term	870,546	-	870,546
Total	<u>\$870,546</u>	<u>\$604,553,524</u>	<u>\$605,424,070</u>

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

### 3. Credit and Market Risk

The Fund concentrates its investments in securities issued by Minnesota municipalities. The value of these investments may be adversely affected by new legislation within the state, 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 value may fluctuate for other reasons and there is no assurance that the insurance company will meet its obligations. A real or perceived decline in creditworthiness of a bond insurer can have an adverse impact on the value of insured bonds held in the Fund. At November 30, 2009, 27% of the Fund's net assets were insured by bond insurers. These securities have been identified in the schedule of investments.

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

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

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

The Fund may invest up to 15% of its net assets in illiquid securities, which may include securities with contractual restrictions on resale, securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended, and other securities which may not be readily marketable. The relative illiquidity of these securities may impair the Fund from disposing of them in a timely manner and at a fair price when it is necessary or desirable to do so. While maintaining oversight, the Fund's Board has delegated to Delaware Management Company (DMC), a series of Delaware Management Business Trust, the day-to-day functions of determining whether individual securities are liquid for purposes of the Fund's limitation on investments in illiquid assets. Securities eligible for resale pursuant to Rule 144A, which are determined to be liquid, are not subject to the Fund's 15% limit on investments in illiquid securities. As of November 30, 2009, there were no Rule 144A securities. Illiquid securities have been identified on the schedule of investments.

### 4. Sale of Delaware Investments to Macquarie Group

On August 18, 2009, Lincoln National Corporation (parent company of Delaware Investments) and Macquarie Group (Macquarie) entered into an agreement pursuant to which Delaware Investments, including DMC, DDLP and DSC, would be acquired by Macquarie, an Australia-based global provider of banking, financial, advisory, investment and funds management services (Transaction). The Transaction was completed on January 4, 2010. DMC, DDLP and DSC are now wholly owned subsidiaries of Macquarie.

The Transaction resulted in a change of control of DMC which, in turn, caused the termination of the investment advisory agreement between DMC and the Fund. On January 4, 2010, the new investment advisory agreement between DMC and the Fund that was approved by the shareholders became effective.