

Schedule of Investments (Unaudited)

Delaware Investments Arizona Municipal Income Fund, Inc.

December 31, 2009

	Principal Amount	Value
Municipal Bonds – 96.33%		
<i>Corporate-Backed Revenue Bonds – 3.34%</i>		
•Navajo County Pollution Control Revenue (Arizona Public Services) Series D 5.75% 6/1/34	\$500,000	\$516,965
Pima County Industrial Development Authority Pollution Control Revenue (Tucson Electric Power San Juan) Series A 4.95% 10/1/20	500,000	508,305
Salt Verde Financial Gas Revenue Senior 5.00% 12/1/37	400,000	<u>342,276</u>
		<u>1,367,546</u>
<i>Education Revenue Bonds – 11.52%</i>		
Arizona Board of Regents System Revenue (University of Arizona) Series A 5.00% 6/1/39	500,000	512,820
Series 8-A 5.00% 6/1/18	200,000	226,106
5.00% 6/1/19	375,000	418,849
Glendale Industrial Development Authority Revenue Refunding (Midwestern University) 5.00% 5/15/31	350,000	330,236
Northern Arizona University Certificates of Participation (Northern Arizona University Research Project) 5.00% 9/1/30 (AMBAC)	1,000,000	992,290
Pima County Industrial Development Authority Educational Revenue Refunding (Tucson Country Day School Project) 5.00% 6/1/37	500,000	367,285
South Campus Group Student Housing Revenue (Arizona State University -South Campus Project) 5.625% 9/1/35 (NATL-RE)	1,000,000	1,002,369
University of Puerto Rico System Revenue Series Q 5.00% 6/1/36	1,000,000	<u>864,690</u>
		<u>4,714,645</u>
<i>Electric Revenue Bonds – 9.01%</i>		
Puerto Rico Electric Power Authority Revenue Series TT 5.00% 7/1/37	100,000	94,304
Series WW 5.50% 7/1/38	200,000	201,214
Salt River Project Agricultural Improvement & Power District Electric System Revenue Series A 5.00% 1/1/31	1,000,000	1,022,470
5.00% 1/1/39	1,000,000	1,046,840
Series B 5.00% 1/1/25	1,250,000	<u>1,320,150</u>
		<u>3,684,978</u>
<i>Health Care Revenue Bonds – 22.41%</i>		
Arizona Health Facilities Authority Revenue (Banner Health) Series D 5.50% 1/1/21	500,000	531,555
(Catholic Healthcare West) Series D 5.00% 7/1/28	500,000	495,830
Glendale Industrial Development Authority Hospital Revenue Refunding (John C. Lincoln Health) 5.00% 12/1/42	1,500,000	1,295,190
Maricopa County Industrial Development Authority Health Facilities Revenue (Catholic Healthcare West) Series A 5.25% 7/1/32	400,000	396,352
6.00% 7/1/39	500,000	522,825
Scottsdale Industrial Development Authority Hospital Revenue Refunding (Scottsdale Healthcare) Series A 5.25% 9/1/30	500,000	464,250
Show Low Industrial Development Authority Hospital Revenue Refunding (Navapache Regional Medical Center) Series A 5.50% 12/1/17 (ACA)	1,600,000	1,600,480
University Medical Center Hospital Revenue 5.00% 7/1/33	1,000,000	909,970
5.00% 7/1/35	500,000	461,440
6.50% 7/1/39	500,000	530,915
Yavapai County Industrial Development Authority Revenue (Yavapai Regional Medical Center) Series A 5.25% 8/1/21 (RADIAN)	2,000,000	<u>1,962,519</u>
		<u>9,171,326</u>
<i>Housing Revenue Bonds – 1.37%</i>		
Phoenix Industrial Development Authority Single Family Mortgage Statewide Revenue Series A 5.35% 6/1/20 (GNMA) (FNMA) (FHLMC) (AMT)	340,000	340,201
Pima County Industrial Development Authority Single Family Mortgage Housing Revenue Series A-1 6.125% 11/1/33 (GNMA) (FNMA) (FHLMC) (AMT)	30,000	30,056
Puerto Rico Housing Finance Authority Subordinate-Capital Foundation Modernization 5.50% 12/1/18	175,000	<u>191,142</u>
		<u>561,399</u>
<i>Lease Revenue Bonds – 5.15%</i>		
Arizona Game & Fishing Department & Commission Beneficial Interest Certificates		

(Unaudited)

(AGF Administration Building Project) 5.00% 7/1/26	640,000	650,291
Nogales Development Authority Municipal Facilities Revenue 5.00% 6/1/30 (AMBAC)	500,000	453,585
Pima County Industrial Development Authority Lease Revenue Metro Police Facility (Nevada Project) Series A		
5.25% 7/1/31	500,000	503,345
5.375% 7/1/39	500,000	<u>500,185</u>
		<u>2,107,406</u>
<i>Local General Obligation Bonds – 4.72%</i>		
Gila County Unified School District #10 (Payson School Improvement Project of 2006) Series		
A 5.25% 7/1/27 (AMBAC)	500,000	514,350
Maricopa County School District #6 (Washington Elementary) Refunding Series A 5.375% 7/1/13 (AGM) 1,250,000	<u>1,417,300</u>	
		<u>1,931,650</u>
<i>§Pre-Refunded Bonds – 9.92%</i>		
Oro Valley Municipal Property Excise Tax 5.00% 7/1/20-11 (FGIC)	1,000,000	1,076,850
Puerto Rico Commonwealth Public Improvement Revenue Series A 5.125% 7/1/31-11	250,000	267,473
Southern Arizona Capital Facilities Finance (University of Arizona Project) 5.00% 9/1/23-12 (NATL-RE) 1,000,000	1,109,880	
University of Arizona Certificates of Participation (University of Arizona Project) Series B 5.125% 6/1/22-12 (AMBAC)	500,000	549,980
Virgin Islands Public Finance Authority Revenue (Gross Receipts Tax Loan Note) Series A 6.125% 10/1/29-10 (ACA)	1,000,000	<u>1,053,770</u>
		<u>4,057,953</u>
<i>Special Tax Revenue Bonds – 14.37%</i>		
Flagstaff Aspen Place Sawmill Improvement District Revenue 5.00% 1/1/32	385,000	385,042
Gilbert Public Facilities Municipal Property 5.00% 7/1/25	500,000	528,260
Glendale Municipal Property Series A 5.00% 7/1/33 (AMBAC)	2,000,000	2,028,181
Marana Tangerine Farm Road Improvement District Revenue 4.60% 1/1/26	924,000	820,909
Peoria Municipal Development Authority Sales Tax & Excise Shared Revenue (Senior Lien &		
Subordinate Lien) 5.00% 1/1/18	1,085,000	1,228,426
Queen Creek Improvement District #1 5.00% 1/1/32	1,000,000	<u>887,650</u>
		<u>5,878,468</u>
<i>State General Obligation Bond – 0.82%</i>		
Puerto Rico Commonwealth Refunding (Public Improvement) Series C 6.00% 7/1/39	335,000	<u>336,444</u>
		<u>336,444</u>
<i>Transportation Revenue Bond – 4.91%</i>		
Phoenix Civic Improvement Airport Revenue (Senior Lien) Series B 5.25% 7/1/27 (NATL-RE) (FGIC) (AMT)	2,000,000	<u>2,007,880</u>
		<u>2,007,880</u>
<i>Water & Sewer Revenue Bonds – 8.79%</i>		
Phoenix Civic Improvement Wastewater Systems Revenue		
Junior Lien 5.00% 7/1/19 (NATL-RE)	850,000	935,230
Refunding 5.00% 7/1/24 (NATL-RE) (FGIC)	1,000,000	1,021,160
Phoenix Civic Improvement Water Systems Revenue Junior Lien Series A 5.00% 7/1/39	900,000	933,417
Scottsdale Water & Sewer Revenue Refunding 5.00% 7/1/19	600,000	<u>705,882</u>
		<u>3,595,689</u>
Total Municipal Bonds (cost \$39,351,857)		<u>39,415,384</u>
Short-Term Investment – 0.98%		
•Variable Rate Demand Note – 0.98%		
Arizona Health Facilities Authority Revenue (Catholic Healthcare West) Series B 0.22% 7/1/35		
(LOC – JP Morgan Chase Bank)	400,000	<u>400,000</u>
Total Short-Term Investment (cost \$400,000)		<u>400,000</u>
Total Value of Securities – 97.31%		
(cost \$39,751,857)		39,815,384
Receivables and Other Assets Net of Liabilities (See Notes) – 2.69%		<u>1,102,192</u>
Net Assets Applicable to 2,982,200 Shares Outstanding – 100.00%		<u>\$40,917,576</u>

§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."

•Variable rate security. The rate shown is the rate as of December 31, 2009.

Summary of Abbreviations:

ACA – Insured by American Capital Access
AGM – Insured by Assured Guaranty Municipal Corporation
AMBAC – Insured by the AMBAC Assurance Corporation
AMT – Subject to Alternative Minimum Tax
FGIC – Insured by the Financial Guaranty Insurance Company
FHLMC – Federal Home Loan Mortgage Corporation Collateral
FNMA – Federal National Mortgage Association Collateral
GNMA – Government National Mortgage Association Collateral

(Unaudited)

LOC – Letter of Credit
NATL-RE – Insured by the National Public Finance Guarantee Corporation
RADIAN – Insured by Radian Asset Assurance

Notes

1. Significant Accounting Policies

The following accounting policies are in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and are consistently followed by Delaware Investments Arizona Municipal Income Fund, Inc. (Fund). This report covers the period of time since the Fund's last fiscal year end.

Security Valuation – Short-term debt securities are valued at market value. Other 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. Generally, other securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith under the direction of the Fund's Board of Directors (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 March 31, 2007 – March 31, 2009), and has concluded that no provision for federal income tax is required in the Fund's financial statements.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that may 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® 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 and pays dividends from net investment income monthly and 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 December 31, 2009. There was no impact to financial statements as the Codification requirements are disclosure-only in nature.

2. Investments

At December 31, 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 December 31, 2009, the cost of investments and unrealized appreciation (depreciation) for the Fund were as follows:

Cost of investments	\$39,751,857
Aggregate unrealized appreciation	\$ 1,179,189
Aggregate unrealized depreciation	(1,115,662)
Net unrealized appreciation	\$ 63,527

For federal income tax purposes, at March 31, 2009, capital loss carryforwards of \$221,375 may be carried forward and applied against future capital gains. The capital loss carryforwards expire in 2017.

U.S. GAAP defines fair value as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. A framework for measuring fair value and a three level hierarchy for fair value measurements has been established based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available under the circumstances. The Fund's investment in its entirety is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three-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 fair value hierarchy levels as of December 31, 2009:

	<u>Level 2</u>
Municipal Bonds	<u>\$39,815,384</u>
Total	<u>\$39,815,384</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 Arizona 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 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 December 31, 2009, 38% 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 advanced refunded bonds, escrow secured bonds or defeased bonds. Under current federal tax laws and regulations, state and local government borrowers are permitted to refinance outstanding bonds by issuing new bonds. The issuer refinances the outstanding debt to either reduce interest costs or to remove or alter restrictive covenants imposed by the bonds being refinanced. A refunding transaction where the municipal securities are being refunded within 90 days from the issuance of the refunding issue is known as a "current refunding". "Advance refunded bonds" are bonds in which the refunded bond issue remains outstanding for more than 90 days following the issuance of the refunding issue. In an advance refunding, the issuer will use the proceeds of a new bond issue to purchase high grade interest bearing debt securities which are then deposited in an irrevocable escrow account held by an escrow agent to secure all future payments of principal and interest and bond premium of the advance refunded bond. Bonds are "escrowed to maturity" when the proceeds of the refunding issue are deposited in an escrow account for investment sufficient to pay all of the principal and interest on the original interest payment and maturity dates.

Bonds are considered "pre-refunded" when the refunding issue's proceeds are escrowed only until a permitted call date or dates on the refunded issue with the refunded issue being redeemed at the time, including any required premium. Bonds become "defeased" when the rights and interests of the bondholders and of their lien on the pledged revenues or other security under the terms of the bond contract 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, 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 December 31, 2009, there were no Rule 144A securities and no securities have been determined to be illiquid under the Fund's Liquidity Procedures.

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.

5. Subsequent Event

Management has evaluated whether any events or transactions occurred subsequent to December 31, 2009 through February 25, 2010, the date of issuance of the Fund's schedule of portfolio holdings, and determined that, except as disclosed, there were no material events or transactions that would require recognition or disclosure in the Fund's schedule of portfolio holdings.