

## Schedule of Investments (Unaudited)

### Delaware Investments Minnesota Municipal Income Fund II, Inc.

June 30, 2009

	Principal Amount	Value
<b>Municipal Bonds – 98.35%</b>		
<i>Corporate-Backed Revenue Bonds – 5.47%</i>		
Cloquet Pollution Control Revenue Refunding (Potlatch Project) 5.90% 10/1/26	\$5,500,000	\$3,885,860
Laurentian Energy Authority I Cogeneration Revenue Series A 5.00% 12/1/21	3,325,000	2,865,917
Minneapolis Community Development Agency Supported (Limited Tax Common Bond Fund) Series A 6.75% 12/1/25 (AMT)	865,000	871,773
Sartell Environmental Improvement Revenue Refunding (International Paper) Series A 5.20% 6/1/27	1,000,000	799,930
		<u>8,423,480</u>
<i>Education Revenue Bonds – 7.11%</i>		
Minnesota Higher Education Facilities Authority Revenue (Augsburg College) Series 6-J1 5.00% 5/1/28	1,500,000	1,399,260
(Carleton College) Series 6-T 5.00% 1/1/28	1,000,000	1,024,350
(College of St. Benedict) Series 5-W 5.00% 3/1/20	2,000,000	2,009,180
(St. Mary's University) Series 5-U 4.80% 10/1/23	1,400,000	1,353,030
(University of St. Thomas) Series 6-X 5.00% 4/1/29	2,250,000	2,254,118
University of Minnesota Series A 5.25% 4/1/29	1,000,000	1,056,990
Series C 5.00% 12/1/19	1,290,000	1,442,697
University of the Virgin Islands Improvement Series A 5.375% 6/1/34	500,000	419,170
		<u>10,958,795</u>
<i>Electric Revenue Bonds – 12.99%</i>		
Chaska Electric Revenue Refunding (Generating Facilities) Series A 5.25% 10/1/25	250,000	253,568
Minnesota Municipal Power Agency Electric Revenue Series A 5.00% 10/1/34	1,900,000	1,864,052
5.25% 10/1/19	1,610,000	1,671,695
Northern Municipal Power Agency Electric Revenue Series A 5.00% 1/1/14 (ASSURED GTY)	1,000,000	1,074,060
5.00% 1/1/16 (ASSURED GTY)	1,500,000	1,608,210
Southern Minnesota Municipal Power Agency Power Supply System Series A 5.25% 1/1/14 (AMBAC)	8,000,000	8,675,679
Western Minnesota Municipal Power Agency Power Supply Revenue Series A 5.00% 1/1/30 (NATL-RE) 5,000,000	4,868,650	
		<u>20,015,914</u>
<i>Escrowed to Maturity Bonds – 17.26%</i>		
Dakota-Washington Counties Housing & Redevelopment Authority Revenue (Bloomington Single Family Residential Mortgage) 8.375% 9/1/21(GNMA) (FHA) (VA) (AMT)	7,055,000	9,985,999
Southern Minnesota Municipal Power Agency Power Supply System Revenue Refunding Series B 5.50% 1/1/15 (AMBAC)	390,000	410,888
St. Paul Housing & Redevelopment Authority Sales Tax (Civic Center Project) 5.55% 11/1/23	2,300,000	2,392,460
5.55% 11/1/23 (NATL-RE)	4,200,000	4,368,840
University of Minnesota Hospital & Clinics 6.75% 12/1/16	2,580,000	3,138,880
University of Minnesota Series A 5.50% 7/1/21	4,000,000	4,517,359
Western Minnesota Municipal Power Agency Power Supply Revenue Series A 6.625% 1/1/16	1,535,000	1,773,125
		<u>26,587,551</u>
<i>Health Care Revenue Bonds – 10.76%</i>		
Bemidji Health Care Facilities First Mortgage Revenue (North Country Health Services) 5.00% 9/1/24 (RADIAN)	1,500,000	1,362,975
Glencoe Health Care Facilities Revenue (Glencoe Regional Health Services Project) 5.00% 4/1/25	2,000,000	1,660,100
Maple Grove Health Care System Revenue (Maple Grove Hospital) 5.25% 5/1/37	1,000,000	858,240
Minneapolis Health Care System Revenue (Fairview Health Services) Series A 6.625% 11/15/28	600,000	634,026
Series B 6.50% 11/15/38 (ASSURED GTY)	295,000	324,069
Series D 5.00% 11/15/34 (AMBAC)	2,000,000	1,722,320
Minnesota Agricultural & Economic Development Board Revenue Un-Refunded Balance (Fairview Health Care System) Series A 5.75% 11/15/26 (NATL-RE)	100,000	97,107
6.375% 11/15/29	195,000	196,665
Shakopee Health Care Facilities Revenue (St. Francis Regional Medical Center) 5.25% 9/1/34	1,560,000	1,324,924
St. Louis Park Health Care Facilities Revenue Refunding (Park Nicollet Health Services) Series C 5.50% 7/1/23	1,000,000	1,001,400
St. Paul Housing & Redevelopment Authority Health Care Facilities Revenue (Allina Health System) Series A 5.00% 11/15/18 (NATL-RE)	1,380,000	1,407,352

**(Unaudited)**

(Health Partners Obligation Group Project) 5.25% 5/15/36	2,000,000	1,619,520
(Regions Hospital Project) 5.30% 5/15/28	1,000,000	866,590
St. Paul Housing & Redevelopment Authority Revenue (Franciscan Elderly Health Project)		
5.40% 11/20/42 (GNMA) (FHA)	2,700,000	2,599,722
Winona Health Care Facilities Revenue Refunding (Winona Health Obligation Group) 5.00% 7/1/23	1,010,000	<u>893,325</u>
		<u>16,568,335</u>
<i>Housing Revenue Bonds – 9.39%</i>		
Chanhasen Multifamily Housing Revenue Refunding (Heritage Park Apartments Project)		
6.20% 7/1/30 (FHA) (AMT) (HUD Section 8)	1,105,000	1,105,442
Dakota County Housing & Redevelopment Authority Single Family Mortgage Revenue		
5.85% 10/1/30 (GNMA) (FNMA) (AMT)	11,000	11,008
@Harmony Multifamily Housing Revenue Refunding (Zedakah Foundation Project)		
Series A 5.95% 9/1/20 (HUD Section 8)	1,000,000	784,770
Minneapolis Multifamily Housing Revenue		
•(Gaar Scott Loft Project) 5.95% 5/1/30 (AMT) (LOC - U.S. Bank N.A.)	910,000	923,632
(Olson Townhomes Project) 6.00% 12/1/19 (AMT)	800,000	779,440
(Seward Towers Project) Series A 5.00% 5/20/36 (GNMA)	2,000,000	1,928,280
(Sumner Housing Project) Series A 5.15% 2/20/45 (GNMA) (AMT)	2,000,000	1,832,920
Minnesota Housing Finance Agency Revenue		
(Rental Housing)		
Series A 5.00% 2/1/35 (AMT)	1,000,000	908,790
Series D 5.95% 2/1/18 (NATL-RE)	125,000	125,479
Residential Housing		
Series B-1 5.35% 1/1/33 (AMT)	1,650,000	1,590,188
•Series D 4.75% 7/1/32 (AMT)	1,000,000	926,130
Series I 5.15% 7/1/38 (AMT)	745,000	689,177
Series L 5.10% 7/1/38 (AMT)	1,495,000	1,364,516
(Single Family Mortgage) Series J 5.90% 7/1/28 (AMT)	770,000	771,432
Washington County Housing & Redevelopment Authority Revenue Refunding		
(Woodland Park Apartments Project) 4.70% 10/1/32	750,000	<u>719,220</u>
		<u>14,460,424</u>
<i>Lease Revenue Bonds – 6.43%</i>		
Andover Economic Development Authority Public Facilities Lease Revenue Refunding (Andover Community Center)		
5.125% 2/1/24	205,000	225,746
5.20% 2/1/29	410,000	452,808
Puerto Rico Public Buildings Authority Revenue Guaranteed Un-Refunded Balance		
(Government Facilities Bond) Series D 5.25% 7/1/27	530,000	465,404
St. Paul Port Authority Lease Revenue		
(Cedar Street Office Building Project)		
5.00% 12/1/22	2,385,000	2,449,300
5.25% 12/1/27	2,800,000	2,864,875
(Robert Street Office Building Project) Series 3-11 5.00% 12/1/27	2,000,000	2,038,000
Virginia Housing & Redevelopment Authority Health Care Facility Lease Revenue		
5.25% 10/1/25	680,000	596,639
5.375% 10/1/30	965,000	<u>817,230</u>
		<u>9,910,002</u>
<i>Local General Obligation Bonds – 11.33%</i>		
Dakota County Community Development Agency Governmental Housing Refunding		
(Senior Housing Facilities) Series A 5.00% 1/1/23	1,100,000	1,145,034
Hennepin County Series B 5.00% 12/1/18	2,300,000	2,361,111
Minneapolis Special School District #1 5.00% 2/1/19 (FSA)	1,175,000	1,238,744
Morris Independent School District #769 5.00% 2/1/28 (NATL-RE)	3,750,000	4,112,813
Rocori Independent School District #750 (School Building) Series B		
5.00% 2/1/22	1,010,000	1,106,152
5.00% 2/1/24	1,075,000	1,160,570
5.00% 2/1/25	1,115,000	1,196,495
5.00% 2/1/26	1,155,000	1,231,011
Washington County Housing & Redevelopment Authority Refunding Series B		
5.50% 2/1/22 (NATL-RE)	1,705,000	1,746,738
5.50% 2/1/32 (NATL-RE)	2,140,000	<u>2,156,264</u>
		<u>17,454,932</u>
<i>§Pre-Refunded Bonds – 4.88%</i>		
Andover Economic Development Authority Public Facilities Lease Revenue (Andover Community Center)		
5.125% 2/1/24-14	295,000	324,854
5.20% 2/1/29-14	590,000	651,602

## (Unaudited)

### Minneapolis Community Development Agency Supported (Limited Tax Common Bond Fund)

Series G-1 5.70% 12/1/19-11	1,100,000	1,198,813
Southern Minnesota Municipal Power Agency Power Supply Revenue Series A 5.75% 1/1/18-13	3,715,000	3,922,074
St. Louis Park Health Care Facilities Revenue (Park Nicollet Health Services) Series B 5.25% 7/1/30-14	1,250,000	<u>1,415,425</u>
		<u>7,512,768</u>

### Special Tax Revenue Bonds – 2.46%

Minneapolis Community Development Agency Supported Common Bond Fund Series 5 5.70% 12/1/27 375,000	375,885	
Minneapolis Development Revenue (Limited Tax Supported Common Bond Fund) Series 1 5.50% 12/1/24 (AMT)	1,000,000	994,710
Puerto Rico Commonwealth Infrastructure Financing Authority Special Tax Revenue Series B 5.00% 7/1/46	800,000	601,816
Puerto Rico Sales Tax Financing Sales Tax Revenue First Sub-Series A 5.75% 8/1/37	1,415,000	1,356,065
Virgin Islands Public Finance Authority Revenue (Senior Lien Matching Fund Loan Notes) Series A 5.25% 10/1/23	500,000	<u>454,105</u>
		<u>3,782,581</u>

### State General Obligation Bonds – 1.34%

Puerto Rico Commonwealth Public Improvement Refunding Series A 5.50% 7/1/17	1,100,000	1,079,793
Puerto Rico Government Development Bank Senior Notes Series B 5.00% 12/1/14	1,000,000	<u>986,540</u>
		<u>2,066,333</u>

### Transportation Revenue Bonds – 7.99%

Minneapolis-St. Paul Metropolitan Airports Commission Revenue Series A		
5.00% 1/1/22 (NATL-RE)	3,000,000	3,023,940
5.00% 1/1/28 (NATL-RE)	2,120,000	2,097,295
5.25% 1/1/16 (NATL-RE)	1,000,000	1,048,470
Series B		
5.00% 1/1/35 (AMBAC)	2,000,000	1,903,200
5.25% 1/1/24 (FGIC) (NATL-RE) (AMT)	1,000,000	956,940
St. Paul Housing & Redevelopment Authority Parking Revenue (Block 19 Ramp Project) Series A 5.35% 8/1/29 (FSA)	3,350,000	<u>3,285,211</u>
		<u>12,315,056</u>

### Water & Sewer Revenue Bond – 0.94%

St. Paul Sewer Revenue Series D 5.00% 12/1/21	1,325,000	<u>1,451,114</u>
		<u>1,451,114</u>

### Total Municipal Bonds (cost \$152,900,149)

151,507,285

### •Short-Term Investment – 0.94%

#### Variable Rate Demand Note – 0.94%

Minneapolis Health Care System Revenue (Fairview Health Services) Series E 0.15% 11/15/47 (LOC - Wells Fargo Bank N.A.)	1,445,000	<u>1,445,000</u>
<b>Total Short-Term Investment (cost \$1,445,000)</b>		<u>1,445,000</u>

### Total Value of Securities – 99.29%

(cost \$154,345,149)

152,952,285

### Receivables and Other Assets Net of Liabilities (See Notes) – 0.71%

1,093,916

### Net Assets Applicable to 11,504,975 Shares Outstanding – 100.00%

\$154,046,201

§Pre-Refunded bonds. 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 3 in "Notes."

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

@Illiquid security. At June 30, 2009, the aggregate amount of illiquid securities was \$784,770, which represented 0.51% 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 – Federal Housing Authority  
FNMA – Federal National Mortgage Association Collateral  
FSA – Insured by Financial Security Assurance  
GNMA – Government National Mortgage Association Collateral  
HUD – Housing and Urban Development  
LOC – Letter of Credit  
NATL-RE – Insured by the National Public Finance Guarantee Corporation  
RADIAN – Insured by Radian Asset Assurance  
VA – Insured by the Veterans Administration

### Notes

## (Unaudited)

### 1. Significant Accounting Policies

The following accounting policies are in accordance with U.S. generally accepted accounting principles and are consistently followed by Delaware Investments Minnesota Municipal Income Fund II, Inc. (Fund).

**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. 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. The Fund did not record any tax benefit or expense in the current period.

**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 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 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.

### 2. Investments

At June 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 June 30, 2009, the cost of investments and unrealized appreciation (depreciation) for the Fund were as follows:

Cost of investments	<u>\$154,345,149</u>
Aggregate unrealized appreciation	\$5,253,180
Aggregate unrealized depreciation	<u>(6,646,044)</u>
Net unrealized depreciation	<u>\$(1,392,864)</u>

For federal income tax purposes, at March 31, 2009, capital loss carryforwards of \$2,002,111 may be carried forward and applied against future capital gains. Such capital loss carryforwards expire as follows: \$8,416 expires in 2010, \$9,826 expires in 2013, and \$1,983,869 expires in 2017.

The Fund applies Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 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. FAS 157 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

The following table summarizes the valuation of the Fund's investments by the FAS 157 fair value hierarchy levels as of June 30, 2009:

	Level 2
Municipal Bonds	<u>\$152,952,285</u>
Total	<u>\$152,952,285</u>

There were no Level 1 or 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 June 30, 2009, 28% of the Fund's net assets were insured by bond insurers. These securities have been identified in the schedule of investments.

## **(Unaudited)**

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 June 30, 2009, there were no Rule 144A securities. Illiquid securities have been identified on the schedule of investments.

#### **4. Subsequent Events – Purchase of Delaware Investments by Macquarie Group**

On August 19, 2009, Lincoln National Corporation and Macquarie Group ("Macquarie") entered into an agreement pursuant to which Delaware Investments, including Delaware Management Company (DMC), Delaware Distributors, L.P. (DDL), and Delaware Service Company (DSC), will be acquired by Macquarie, an Australia-based global provider of banking, financial, advisory, investment and funds management services (the "Transaction"). Upon completion of the Transaction, DMC, DDL and DSC will be wholly-owned subsidiaries of Macquarie.

The Transaction will result in a change of control of DMC which, in turn, will cause the termination of the investment advisory agreement between DMC and the Fund. As a result, a Special Meeting of Shareholders (the "Meeting") of the Fund will be scheduled for the purpose of asking shareholders to approve a new investment advisory agreement between DMC and the Fund (the "New Agreement"). If approved by shareholders, the New Agreement will take effect upon the closing of the Transaction, which is currently anticipated to occur in the fourth quarter of 2009. Shareholders of the Fund will receive proxy materials including more detailed information about the Meeting, the Transaction and the proposed New Agreement.

Effective June 30, 2009, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 165, Subsequent Events (FAS 165). In accordance with FAS 165, management has evaluated whether any events or transactions occurred subsequent to June 30, 2009 through August 15, 2009, the date of issuance of the Fund's schedule of portfolio holdings, and determined that there were no other material events or transactions that would require recognition or disclosure in the Fund's schedule of portfolio holdings.