

Delaware Investments Colorado Municipal Income Fund, Inc.
Form N-Q
February 26, 2015

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

FORM N-Q

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

| | |
|---|---|
| Investment Company Act file number: | 811-07810 |
| Exact name of registrant as specified in charter: | Delaware Investments® Colorado Municipal Income Fund, Inc. |
| 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: | December 31, 2014 |

Item 1. Schedule of Investments.

Schedule of investments

Delaware Investments® Colorado Municipal Income Fund, Inc.
December 31, 2014 (Unaudited)

| | Principal Amount° | Value (U.S. \$) |
|--|--|--|
| Municipal Bonds 137.64% | | |
| Corporate-Backed Revenue Bonds 4.72% | | |
| Public Authority for Colorado Energy Revenue 6.25% 11/15/28 | 865,000 | \$ 1,125,720 |
| Public Authority of Colorado Energy Natural Gas Revenue Series 2008 6.50% 11/15/38 | 1,750,000 | 2,398,725 |
| | | 3,524,445 |
| Education Revenue Bonds 29.66% | | |
| Colorado Educational & Cultural Facilities Authority Revenue 5.125% 11/1/49 (Academy Charter School Project) 5.50% 5/1/36 (SGI) (Bromley Charter School Project) 5.25% 9/15/32 (SGI) (Charter School - Community Leadership Academy) 7.45% 8/1/48 (Charter School - Peak to Peak Charter) 5.00% 8/15/34 (Johnson & Wales University) Series A 5.25% 4/1/37 (Liberty Charter School) Series A 5.00% 1/15/44 (Littleton Charter School Project) 4.375% 1/15/36 (AGC) (Skyview Charter School) 144A 5.50% 7/1/49 # (Student Housing - Campus Village Apartments) 5.00% 6/1/23 | 765,000 1,720,000 3,245,000 500,000 1,000,000 900,000 1,000,000 1,200,000 750,000 1,065,000 | 773,270 1,726,072 3,298,543 589,845 1,118,580 1,027,548 1,086,670 1,212,804 791,655 1,172,916 |

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| | | |
|---|-----------|-------------------|
| Colorado School of Mines Series B 5.00% 12/1/42 | 2,500,000 | 2,796,675 |
| Colorado State Board of Governors (University Enterprise System) Series A 5.00% 3/1/39 | 10,000 | 11,172 |
| University of Colorado 5.00% 6/1/31 | 3,185,000 | 3,667,528 |
| Series A 5.00% 6/1/33 | 1,000,000 | 1,167,600 |
| University of Colorado Series A 5.375% 6/1/38 | 750,000 | 865,155 |
| Western State College 5.00% 5/15/34 | 750,000 | 815,018 |
| | | <u>22,121,051</u> |
| Electric Revenue Bonds 3.45% | | |
| Colorado Springs Utilities System Improvement Revenue Series C 5.50% 11/15/48 | 750,000 | 847,177 |
| Platte River Power Authority Series HH 5.00% 6/1/28 | 1,500,000 | 1,727,775 |
| | | <u>2,574,952</u> |
| Healthcare Revenue Bonds 41.97% | | |
| Aurora Hospital Revenue (Children s Hospital Association Project) Series A 5.00% 12/1/40 | 4,000,000 | 4,338,800 |
| Colorado Health Facilities Authority Revenue (Boulder Community Hospital Project) 5.00% 10/1/32 (Catholic Health Initiatives) Series A 5.00% 7/1/39 | 750,000 | 817,815 |
| Series A 5.00% 2/1/41 | 2,400,000 | 2,609,352 |
| Series A 5.25% 2/1/33 | 1,625,000 | 1,819,220 |
| Series A 5.25% 1/1/45 | 1,000,000 | 1,130,870 |
| Series C-1 5.10% 10/1/41 (AGM) | 1,000,000 | 1,061,920 |
| Series D 6.125% 10/1/28 (Christian Living Community Project) 6.375% 1/1/41 | 750,000 | 864,810 |
| Series A 5.75% 1/1/37 (Covenant Retirement Communities Inc.) Series A 5.75% 12/1/36 | 615,000 | 670,682 |
| (Evangelical Lutheran Good Samaritan Society) 5.00% 6/1/28 | 885,000 | 905,169 |
| 5.50% 6/1/33 | 1,000,000 | 1,109,540 |
| 5.625% 6/1/43 | 1,250,000 | 1,370,350 |
| | 2,000,000 | 2,275,300 |
| | 1,000,000 | 1,136,550 |

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(Healthcare Facilities -
American Baptist)
8.00% 8/1/43

500,000

601,105

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Schedule of investments

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

| | Principal Amount° | Value (U.S. \$) |
|---|----------------------|--------------------|
| Municipal Bonds (continued) | | |
| Healthcare Revenue Bonds (continued) | | |
| Colorado Health Facilities Authority Revenue (Mental Health Center of Denver Project) Series A 5.75% 2/1/44 | 1,500,000 | \$ 1,694,565 |
| (National Jewish Health Project) 5.00% 1/1/27 | 500,000 | 522,195 |
| (Sisters of Charity of Leavenworth Health System) Series A 5.00% 1/1/40 | 4,750,000 | 5,254,260 |
| (Total Long-Term Care) Series A 6.00% 11/15/30 | 400,000 | 444,128 |
| Denver Health & Hospital Authority Health Care Revenue (Recovery Zone Facilities) 5.625% 12/1/40 | 750,000 | 837,030 |
| University of Colorado Hospital Authority Revenue Series A 5.00% 11/15/37 | 500,000 | 515,205 |
| Series A 6.00% 11/15/29 | 650,000 | 768,287 |
| | | 31,305,563 |
| Housing Revenue Bond 0.37% | | |
| Colorado Housing & Finance Authority (Single Family Mortgage - Class 1) Series A 5.50% 11/1/29 (FHA) (VA) (HUD) 265,000 | | 274,519 |
| | | 274,519 |
| Lease Revenue Bonds 9.09% | | |
| Aurora Certificates of Participation Series A 5.00% 12/1/30 | 630,000 | 712,939 |
| Colorado Building Excellent Schools Today Certificates of Participation Series G 5.00% 3/15/32 | 2,000,000 | 2,268,700 |
| Glendale Certificates of Participation 5.00% 12/1/25 (SGI) | 1,500,000 | 1,607,220 |
| Pueblo County Certificates of | | |

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| | | |
|---|-----------|------------------------|
| Participation (County Judicial Complex Project) 5.00% 9/15/42 (AGM) | 2,000,000 | 2,188,960 6,777,819 |
| Local General Obligation Bonds 11.24% | | |
| Adams 12 Five Star Schools 5.00% 12/15/25 | 250,000 | 316,357 |
| Arapahoe County School District No. 1 Englewood 5.00% 12/1/31 | 2,935,000 | 3,375,221 |
| Boulder Larimer & Weld Counties St. Vrain Valley School District No. Re-1J 5.00% 12/15/33 | 750,000 | 847,417 |
| Denver City & County (Better Denver & Zoo) Series A 5.00% 8/1/25 | 650,000 | 747,221 |
| Denver International Business Center Metropolitan District No. 1 5.00% 12/1/30 | 650,000 | 694,337 |
| Jefferson County School District No. R-1 5.25% 12/15/24 | 750,000 | 952,665 |
| Pueblo County School District No. 70 5.00% 12/1/31 | 500,000 | 569,800 |
| Rangely Hospital District 6.00% 11/1/26 | 750,000 | 882,547 8,385,565 |
| Pre-Refunded/Escrowed to Maturity Bonds 3.82% | | |
| Adams & Arapahoe Counties Joint School District No. 28J (Aurora) 6.00% 12/1/28-18§ | 600,000 | 714,252 |
| Colorado State Board of Governors Series A 5.00% 3/1/39-19§ | 690,000 | 797,737 |
| Regional Transportation District Revenue (FasTracks Project) Series A 4.375% 11/1/31-16 (AMBAC)§ | 1,250,000 | 1,337,437 2,849,426 |

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(Unaudited)

| | Principal Amount ^o | Value (U.S. \$) |
|---|--|--|
| Municipal Bonds (continued) | | |
| Special Tax Revenue Bonds 21.03% | | |
| Central Platte Valley Metropolitan District 5.00% 12/1/43 | 375,000 | \$ 390,401 |
| City of Commerce City 5.00% 8/1/44 (AGM) | 1,000,000 | 1,137,350 |
| Denver Convention Center Hotel Authority Revenue 5.00% 12/1/35 (SGI) | 2,875,000 | 2,971,773 |
| Guam Government Business Privilege Tax Revenue Series A 5.125% 1/1/42 Series A 5.25% 1/1/36 | 435,000 565,000 | 478,409 634,303 |
| Regional Transportation District Revenue Series A 5.375% 6/1/31 (Denver Transit Partners) 6.00% 1/15/41 (FasTracks Project) Series A 4.50% 11/1/36 (AGM) Series A 5.00% 11/1/38 | 460,000 2,175,000 1,500,000 4,085,000 | 525,421 2,448,919 1,557,525 4,672,831 |
| Tallyns Reach Metropolitan District No. 3 (Limited Tax Convertible) 5.125% 11/1/38 | 295,000 | 303,673 |
| Virgin Islands Public Finance Authority (Matching Fund Senior Lien) 5.00% 10/1/29 (AGM) | 500,000 | 570,425 |
| | | 15,691,030 |
| Transportation Revenue Bonds 9.38% | | |
| Colorado High Performance Transportation Enterprise Revenue (Senior U.S. 36 & I-25 Managed Lanes) 5.75% 1/1/44 (AMT) | 1,110,000 | 1,199,266 |
| Denver City & County Airport System Revenue Series A 5.25% 11/15/36 Series B 5.00% 11/15/27 Series B 5.00% 11/15/28 Series B 5.00% 11/15/37 | 750,000 1,000,000 1,000,000 2,000,000 | 849,330 1,172,070 1,164,800 2,259,840 |
| E-470 Public Highway Authority Series C 5.25% 9/1/25 | 310,000 | 350,830 |
| | | 6,996,136 |
| Water & Sewer Revenue Bond 2.91% | | |
| City of Aurora Water Revenue First Lien Series A 5.00% 8/1/36 (AMBAC) | 2,000,000 | 2,169,060 |
| | | 2,169,060 |

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| | | | |
|--|-------------------------------|---------|----------------------|
| Total Municipal Bonds | | | |
| | (cost \$94,353,277) | | 102,669,566 |
| Short-Term Investment 0.67% | | | |
| Variable Rate Demand Note 0.67% [□] | | | |
| | Colorado Educational & | | |
| | Cultural Facilities Authority | | |
| | Series PG-B-4 (National | | |
| | Jewish Federation Board) | | |
| | 0.01% 12/1/35 (LOC-TD | | |
| | Bank N.A.) | 500,000 | 500,000 |
| Total Short-Term Investment | | | |
| | (cost \$500,000) | | 500,000 |
| Total Value of | | | |
| | Securities 138.31% | | |
| | (cost \$94,853,277) | | 103,169,566 |
| Liquidation Value of | | | |
| | Preferred | | |
| | Stock (40.22%) | | (30,000,000) |
| Receivables and Other | | | |
| | Assets Net of | | |
| | Liabilities 1.91% | | 1,422,267 |
| Net Assets | 100.00% | | \$ 74,591,833 |

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Schedule of investments

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

Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. At Dec. 31, 2014, the aggregate value of Rule 144A securities was \$791,655, which represents 1.06% of the Fund's net assets.

□ Tax-exempt obligations that contain a floating or variable interest rate adjustment formula and an unconditional right of demand to receive payment of the unpaid principal balance plus accrued interest upon a short notice period (generally up to 30 days) prior to specified dates either from the issuer or by drawing on a bank letter of credit, a guarantee, or insurance issued with respect to such instrument. The rate shown is the rate as of Dec. 31, 2014.

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

§ Pre-refunded bonds. Municipal bonds that are generally backed or secured by U.S. Treasury bonds. For pre-refunded bonds, the § stated maturity is followed by the year in which the bond is pre-refunded.

Summary of abbreviations:

AGC Insured by Assured Guaranty Corporation

AGM Insured by Assured Guaranty Municipal Corporation

AMBAC Insured by AMBAC Assurance Corporation

AMT Alternative Minimum Tax

FHA Federal Housing Administration

HUD Housing and Urban Development Section 8

LOC Letter of Credit

SIG Insured by Syncora Guarantee Inc.

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Notes

Delaware Investments[®] Colorado Municipal Income Fund, Inc.
December 31, 2014 (Unaudited)

1. Significant Accounting Policies

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

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

2. Investments

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

| | |
|---------|--|
| Level 1 | Inputs are quoted prices in active markets for identical investments. (Examples: equity securities, open-end investment companies, futures contracts, exchange-traded options contracts) |
| Level 2 | Other observable inputs, including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, and default rates) or other market-corroborated inputs. (Examples: debt securities, government securities, swap contracts, foreign currency exchange contracts, foreign securities utilizing international fair value pricing, broker-quoted securities, fair valued securities) |
| Level 3 | Significant unobservable inputs, including the Fund's own assumptions used to determine the fair value of investments. (Examples: broker-quoted securities, fair valued securities) |

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

The following table summarizes the valuation of the Fund's investments by fair value hierarchy levels as of Dec. 31, 2014:

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| | Level 2 |
|------------------------|----------------|
| Municipal Bonds | \$ 102,669,566 |
| Short-Term Investments | 500,000 |
| Total | \$ 103,169,566 |

During the year ended Dec. 31, 2014, there were no transfers between Level 1 investments, Level 2 investments, or Level 3 investments that had a material impact to the Fund. The Fund's policy is to recognize transfers between levels at the beginning of the reporting period.

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Notes

December 31, 2014 (Unaudited)

3. Subsequent Events

Management has determined that no material events or transactions occurred subsequent to Dec. 31, 2014 that would require recognition or disclosure in the Fund's Schedule of investments.

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Item 2. Controls and Procedures.

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

There were no significant changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

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