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COLONIAL MUNICIPAL INCOME TRUST
Form N-CSR
February 08, 2006

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 811-4992

Colonial Municipal Income Trust

(Exact name of registrant as specified in charter)

One Financial Center, Boston, Massachusetts 02111

(Address of principal executive offices) (Zip code)

Vincent Pietropaolo, Esq.
Columbia Management Group, Inc.
One Financial Center
Boston, MA 02111

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-617-772-3698

Date of fiscal year end: November 30, 2005

Date of reporting period: November 30, 2005

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. REPORTS TO STOCKHOLDERS

[GRAPHIC OMITTED]

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COLONIAL MUNICIPAL INCOME TRUST ANNUAL REPORT

NOVEMBER 30, 2005

Not FDIC | May Lose Value

Insured | No Bank Guarantee

PRESIDENT'S MESSAGE

The views expressed in the President's Letter and Portfolio Manager's Report reflect current views of the respective parties. These views are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict so actual outcomes and results may differ significantly from the views expressed. These views are subject to change at any time based upon economic, market or other conditions and the respective parties disclaim any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Colonial Fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any particular Colonial Fund. References to specific company securities should not be construed as a recommendation or investment advice.

Dear Shareholder:

The US financial markets withstood a host of unfavorable factors to deliver a year of positive investment returns. Record energy prices took a significant bite out of household budgets and raised operating costs for industry. Higher short-term interest rates made borrowing more expensive. Two catastrophic hurricanes exacted an enormous personal toll from Americans living in the Gulf Coast: the storms claimed lives, disrupted energy flows and dealt a sharp blow to local job markets. Yet, the US economy moved ahead at a healthy pace during the 12-month period that began December 1, 2004 and ended November 30, 2005.

FIXED INCOME MARKETS DELIVERED MODEST GAINS

In this environment, the US fixed income markets delivered positive but modest returns. Short-term interest rates rose steadily as the Federal Reserve Board raised a key intrabank lending rate. Longer-term rates remained low during most of the year. However, the yield on the 10-year US Treasury note, a bellwether for the bond market edged up to 4.5% by the end of this reporting period. In this environment, most domestic bond market sectors delivered low single-digit returns. Generally, high-yield bonds continued to perform well despite a setback in the spring, when bonds of certain high profile companies were downgraded. However, municipal bonds generally performed better than high yield bonds--even before accounting for their tax-exempt status--as state revenues increased and budgets stabilized.

In the pages that follow, your fund's manager discusses key factors that influenced performance. We urge you to read this report carefully and discuss any questions you might have with your financial advisor.

As always, we thank you for choosing Colonial Funds.

Sincerely,

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/s/ Christopher L. Wilson

Christopher L. Wilson
President, Columbia Funds

Christopher L. Wilson is Head of Mutual Funds for Columbia Management and President of Columbia Funds, responsible for the day-to-day delivery of mutual fund services to the firm's investors. With the exception of distribution, Chris oversees all aspects of the mutual fund services operation, including treasury, investment accounting and shareholder and broker services.

Chris joined Bank of America in August 2004.

PORTFOLIO MANAGER'S REPORT

For the 12-month period ended November 30, 2005, Colonial Municipal Income Trust generated a total return of 1.36%, based on its market price. The trust returned 8.14%, based on investment at net asset value. That was just short of the 8.35% average return of the Lipper High Yield Municipal Debt Funds Category. ¹ The trust came out ahead of the 7.88% average return of a customized peer group consisting of nine leveraged closed-end, high-yield municipal funds. We avoided several issues that had significant credit and price deterioration, which aided performance. In addition, the trust was well positioned for rising interest rates. A smaller stake in the airline and tobacco sectors compared to the customized peer group hampered relative returns in the first half of the period when these issues did well. However, this positioning aided performance in the second half of the period as bankruptcies plagued the airline sector and tobacco bonds stalled.

STRONG SECURITY SELECTION AMONG AIRLINES

Returns on airline bonds varied widely, depending on the issuer. Bonds issued by US Airways, Inc. (0.2% of total investments) ² were among the top contributors to the trust's performance. The airline's outlook improved after the company emerged from bankruptcy in September and merged with America West Airlines, Inc. (which was not in the portfolio). In addition, investments in bonds issued by Continental Airlines, Inc. and American Airlines, Inc. (0.5% and 0.5% of total investments, respectively) performed well. We believe that the trust's stake in bonds issued by Northwest Airlines, Inc. (0.3% of total investments) and Delta Air Lines, Inc. was lower than the average fund in its peer group. Both companies filed for bankruptcy during the period, causing their credit quality and bond prices to deteriorate. We sold the trust's stake in Delta before the bonds dropped in value but held onto Northwest Airlines bonds, issued for their facilities in Minneapolis, because of the importance of that hub to their business. Since the bankruptcy, the airline has been making interest payments on these bonds.

DISAPPOINTING RETURNS FROM SPECIFIC ISSUES

The trust experienced several disappointments from individual issues. Bonds issued for Westbridge Apartments, a multi-family housing project in South Carolina, detracted from performance. These bonds suffered when the project lost some government contracts, and we sold them at a loss. In addition, bonds that had been issued by Capital Trust Agency in Florida on behalf of the Seminole tribe were redeemed before their due dates. These bonds were called at 108 when the tax-exempt status of the bonds was called into question by the IRS. This

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resulted in a loss of some of the premium price at which they were priced in the trust. Bonds issued by a Gary, Indiana, nursing home (0.3% of total investments) also hurt performance, as the issuer's credit quality deteriorated and the bond's price fell.

(sidebar)

PRICE PER SHARE AS OF 11/30/05 (\$)

Market price	5.36

Net asset value	5.76

1-YEAR TOTAL RETURN AS OF 11/30/05 (%) *

Market price	1.36

Net asset value	8.14

Lipper High Yield Municipal Debt Funds Category average	8.35

All returns shown assume reinvestment
of distributions.

DISTRIBUTIONS DECLARED PER COMMON SHARE 12/01/04 - 11/30/05 (\$)

0.38

A portion of the trust's income may be subject to the alternative minimum tax. The trust may at times purchase tax exempt securities at a discount from their original issue price. Some or all of this discount may be included in the trust's ordinary income, and any market discount is taxable when distributed.

TOP 5 SECTORS AS OF 11/30/05 (%)

Hospitals	10.9

Continuing care retirement	9.6

Refunded/escrowed	8.2

Multi-family	6.7

Special property tax	5.2

QUALITY BREAKDOWN AS OF 11/30/05 (%)

AAA	27.7

AA	2.4

A	6.8

BBB	22.7

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BB	4.6
B	1.3
CCC	0.3
Non-rated	33.7
Cash equivalents	0.5

Sector and quality breakdowns are calculated as a percentage of total investments and net assets, respectively. Ratings shown in the quality breakdowns represent the rating assigned to a particular bond by one of the following nationally recognized rating agencies: Standard & Poor's, a division of The McGraw-Hill Companies, Inc., Moody's Investors Service, Inc. or Fitch Ratings, Ltd.

Ratings are relative and subjective and are not absolute standards of quality. The trust's credit quality does not remove market risk. The majority of the bonds that are non-rated are considered by the advisor to be of non-investment grade quality.

Because the trust is actively managed, there is no guarantee that the trust will continue to invest in these sectors or maintain these quality breakdowns in the future.

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- 1 Lipper Inc., a widely respected data provider in the industry, calculates an average total return (assuming reinvestment of distributions) for mutual funds with investment objectives similar to those of the fund. Lipper makes no adjustment for the effect of sales loads.
 - 2 Holdings are disclosed as of November 30, 2005, and are subject to change.
- * See page 24 for long term total returns based on market price.

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PORTFOLIO MANAGER'S REPORT (CONTINUED)

THE TRUST'S DIVIDEND YIELD DECLINED

The trust's dividend yield declined over the 12-month reporting period, as rising short-term interest rates eroded some of the income the trust derives from leverage. The trust's leverage comes from its preferred shares, which were issued in 1999 to allow the trust to borrow against its underlying investments. We invest the proceeds from the preferred shares in longer maturity, higher-yielding bonds, and then pay out to preferred shareholders a short-term rate influenced by the federal funds rate. The federal funds rate is the rate banks charge each other for overnight loans. As the fed funds rate climbed, the payout rate to preferred shareholders rose, reducing the income available to the common shareholders. The trust's leverage, however, continued to give the common shareholders a higher dividend payment than would have been available without it.

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LOOKING AHEAD

While the Federal Reserve Board (the Fed) may be nearing the end of its interest rate hikes, we believe it will raise the federal funds rates several more times in 2006. While short-term rates may continue to climb, we expect long-term interest rates to stay near current levels. The Fed's vigilant stance on inflation should keep long-term rates from rising. However, since yields on long-term bonds are currently only slightly higher than short-term yields, we also believe a significant drop in long-term yields is unlikely. Although the yield differential between high and low quality issues has narrowed substantially, we feel demand for high-yield securities has the potential to remain strong, which should help the sector.

/s/ Maureen G. Newman

Maureen G. Newman has been the portfolio manager of Colonial Municipal Income Trust since August 1998. Ms. Newman has managed various other municipal funds for Columbia Management Advisors, LLC or its predecessors or affiliate organizations since May 1996.

SHARES OF CLOSED-END FUNDS FREQUENTLY TRADE AT A DISCOUNT TO NET ASSET VALUE. THE PRICE OF THE TRUST'S SHARES IS DETERMINED BY A NUMBER OF FACTORS, SEVERAL OF WHICH ARE BEYOND THE CONTROL OF THE TRUST. THEREFORE, THE TRUST CANNOT PREDICT WHETHER ITS SHARES WILL TRADE AT, BELOW OR ABOVE NET ASSET VALUE.

Investing in fixed-income securities may involve certain risks, including the credit quality of individual issuers, possible prepayments, market or economic developments and yield and share price fluctuations due to changes in interest rates. When interest rates go up, bond prices typically drop, and vice versa.

Investing in high-yield or "junk" bonds offers the potential for higher income than investments in investment-grade bonds, but also has a higher degree of risk. Changes in economic conditions or other circumstances may adversely affect a high-yield bond issuer's ability to make timely principal and interest payments.

Tax-exempt investing offers current tax-exempt income, but it also involves special risks. The value of the trust shares will be affected by interest rate changes and the creditworthiness of issues held in the trust. Interest income from certain tax-exempt bonds may be subject to certain state and local taxes and, if applicable, the alternative minimum tax. Capital gains are not exempt from income taxes.

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INVESTMENT PORTFOLIO

November 30, 2005

MUNICIPAL BONDS - 152.1%	PAR (\$)	VALUE (\$)
EDUCATION - 6.4%		
EDUCATION - 5.4%		
MI Southfield Economic Development Corp., Lawrence University,		

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Series 1998 A, 5.400% 02/01/18	750,000	767,685
NC Capital Facilities Finance Authority, Meredith College, Series 2001, Insured: AMBAC 5.125% 06/01/15	1,000,000	1,065,010
PA Higher Education Facilities Authority, Philadelphia University, Series 2004 A, 5.125% 06/01/25	570,000	568,951
VT Educational & Health Buildings Finance Agency, Norwich University, Series 1998, 5.500% 07/01/21	1,000,000	1,028,090
WV Higher Education Policy Commission, Series 2004 B, Insured: FGIC 5.000% 04/01/34	4,745,000	4,884,835
WV University, Series 2000 A, Insured: AMBAC (a) 04/01/25	750,000	296,363

	Education Total	8,610,934

PREP SCHOOL - 1.0%		
CA Statewide Communities Development Authority, Crossroads School for Arts & Sciences, Series 1998, 6.000% 08/01/28(b)	1,070,000	1,107,236
MA Industrial Finance Agency, St. John's High School, Series 1998, 5.350% 06/01/28	200,000	205,674
MI Summit Academy North, Series 2005, 5.500% 11/01/35	250,000	241,873

	Prep School Total	1,554,783

	EDUCATION TOTAL	10,165,717

HEALTH CARE - 41.7%		
CONTINUING CARE RETIREMENT - 14.9%		
CA La Verne, Brethren Hillcrest Homes, Series 2003 B, 6.625% 02/15/25	525,000	571,420
CA Statewide Community Development Authority, Eskaton Village - Grass Valley, Series 2000, 8.250% 11/15/31(b)	725,000	820,548
	PAR (\$)	VALUE (\$)

CO Health Facilities Authority, Covenant Retirement Communities, Inc., Series 2005,		

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5.000% 12/01/35	1,100,000	1,061,093
CT Development Authority, Elim Park Baptist, Inc., Series 2003,		
5.850% 12/01/33	430,000	450,571
FL Capital Projects Finance Authority, Glenridge on Palmer Ranch, Series 2002 A,		
8.000% 06/01/32	500,000	554,660
FL Lee County Industrial Development Authority, Shell Point Village, Series 1999 A,		
5.500% 11/15/29	400,000	403,016
GA Fulton County Residential Care Facilities Authority, Canterbury Court, Series 2004 A,		
6.125% 02/15/26	500,000	508,015
GA Savannah Economic Development Authority, Marshes of Skidaway, Series 2003 A,		
7.400% 01/01/34	350,000	368,148
IL Health Facilities Authority: Lutheran Senior Ministries, Series 2001,		
7.375% 08/15/31	650,000	688,733
Washington & Jane Smith Community, Series 2003 A,		
7.000% 11/15/32	525,000	549,696
KS Manhattan, Meadowlark Hills Retirement Home, Series 1999 A,		
6.375% 05/15/20	250,000	257,970
MA Boston Industrial Development Financing Authority, Springhouse, Inc., Series 1998,		
5.875% 07/01/20	235,000	237,731
MA Development Finance Agency, Loomis Communities: Series 1999 A,		
5.625% 07/01/15	250,000	252,928
Series 2002 A,		
6.900% 03/01/32	125,000	135,178
MD Westminster Economic Development Authority, Carroll Lutheran Village, Inc., Series 2004 A,		
6.250% 05/01/34	500,000	516,545
MO Cole County Industrial Development Authority, Lutheran Senior Services, Series 2004,		
5.500% 02/01/35	750,000	774,690

See Accompanying Notes to Financial Statements.

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INVESTMENT PORTFOLIO (CONTINUED)

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November 30, 2005

MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)
HEALTH CARE (CONTINUED)		
CONTINUING CARE RETIREMENT (CONTINUED)		
NC Medical Care Commission, United Methodist Retirement Home, Inc., Series 2005 C, 5.250% 10/01/24	500,000	500,615
NH Higher Educational & Health Facilities Authority, Rivermead at Peterborough, Series 1998, 5.750% 07/01/28	1,100,000	1,100,693
NJ Economic Development Authority: Lions Gate, Series 2005 A: 5.750% 01/01/25 5.875% 01/01/37	400,000 300,000	407,192 303,912
Seabrook Village, Inc., Series 2000 A, 8.250% 11/15/30	700,000	775,985
Winchester Gardens, Series 2004 A, 5.750% 11/01/24	500,000	522,305
PA Chartiers Valley Industrial & Commercial Development Authority: Asbury Health Center, Series 1999, 6.375% 12/01/24	1,000,000	1,020,660
Friendship Village of South Hills, Series 2003 A, 5.750% 08/15/20	1,000,000	1,020,950
PA Delaware County Authority, Dunwoody Village, Series 2003 A, 5.375% 04/01/17	400,000	420,616
PA Lancaster Industrial Development Authority, Garden Spot Village, Series 2000 A, 7.625% 05/01/31	325,000	350,376
PA Montgomery County Industrial Development Authority, Whitemarsh Continuing Care Retirement Community, Series 2005: 6.125% 02/01/28 6.250% 02/01/35	150,000 600,000	156,615 627,396
PA Westmoreland County Industrial Development Authority, Redstone Highlands, Series 2005 A: 5.750% 01/01/26 5.875% 01/01/32	1,250,000 600,000	1,269,675 607,350
TN Johnson City Health & Educational Facilities Authority, Appalachian Christian Village, Series 2004 A, 6.250% 02/15/32	250,000	251,945

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	PAR (\$)	VALUE (\$)
TN Metropolitan Government Nashville & Davidson County, Blakeford at Green Hills, Series 1998, 5.650% 07/01/24	575,000	567,025
TN Shelby County Health, Educational & Housing Facilities Board, Germantown Village, Series 2003 A, 7.250% 12/01/34	300,000	314,238
TX Abilene Health Facilities Development Corp., Sears Methodist Retirement Center: Series 1998 A, 5.900% 11/15/25	750,000	755,767
Series 2003 A, 7.000% 11/15/33	200,000	215,072
TX Houston Health Facilities Development Corp., Buckingham Senior Living Community, Inc., Series 2004 A, 7.000% 02/15/26	500,000	545,650
VA Virginia Beach Development Authority, Westminster-Canterbury of Hampton, Series 2005, 5.250% 11/01/26	450,000	455,170
WI Health & Educational Facilities Authority: Attic Angel Obligated Group, Series 1998, 5.750% 11/15/27	875,000	872,777
Clement Manor, Series 1998, 5.750% 08/15/24	1,000,000	994,000
Eastcastle Place, Inc., Series 2004, 6.125% 12/01/34	300,000	303,969
Three Pillars Senior Living Communities, Series 2003, 5.750% 08/15/26	500,000	511,820
United Lutheran Program for the Aging, Series 1998, 5.700% 03/01/28	750,000	746,175

	Continuing Care Retirement Total	23,768,890

HEALTH SERVICES - 2.8%		
CO Health Facilities Authority, National Jewish Medical & Research Center, Series 1998: 5.375% 01/01/16	1,500,000	1,526,310
5.375% 01/01/23	340,000	341,839

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INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2005

MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)

HEALTH CARE (CONTINUED)		
HEALTH SERVICES (CONTINUED)		
MA Development Finance Agency, Boston Biomedical Research Institute, Series 1999, 5.650% 02/01/19	620,000	636,833
MA Health & Educational Facilities Authority, Civic Investments, Inc., Series 2002 A, 9.000% 12/15/15	750,000	911,625
MN Minneapolis & St. Paul Housing & Redevelopment Authority, Healthpartners Obligated Group, Series 2003, 5.625% 12/01/22	200,000	212,222
WI Health & Educational Facilities Authority, Blood Center of Southeastern Wisconsin, Series 2004, 5.750% 06/01/34	750,000	787,995

	Health Services Total	4,416,824

HOSPITALS - 16.8%		
AR Conway Health Facilities Board, Conway Regional Medical Center: Series 1999 A, 6.400% 08/01/29	350,000	373,415
Series 1999 B, 6.400% 08/01/29	850,000	906,865
AR Washington County, Regional Medical Center, Series 2005 B, 5.000% 02/01/30	600,000	592,500
CA Rancho Mirage Joint Powers Financing Authority, Eisenhower Medical Center, Series 2004, 5.625% 07/01/29	750,000	780,765
CA Turlock Health Facilities Authority, Emanuel Medical Center, Inc., Series 2004, 5.375% 10/15/34	1,000,000	1,008,920
CO Health Facilities Authority: Evangelical Lutheran Good Samaritan Foundation, Series 2005, 5.000% 06/01/35	250,000	249,845
Parkview Medical Center,		

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Series 2004, 5.000% 09/01/25 Vail Valley Medical Center, Series 2004, 5.000% 01/15/20	550,000 500,000	553,822 510,255
FL Orange County Health Facilities Authority, Orlando Regional Healthcare System, Series 2002, 5.750% 12/01/32	150,000	158,117
	PAR (\$)	VALUE (\$)

FL South Lake County Hospital District, South Lake Hospital, Inc., Series 2003, 6.375% 10/01/34	250,000	268,123
FL West Orange Healthcare District, Series 2001 A, 5.650% 02/01/22	400,000	419,552
IL Health Facilities Authority, Thorek Hospital & Medical Center, Series 1998, 5.375% 08/15/28	500,000	507,110
IL Southwestern Development Authority, Anderson Hospital, Series 1999: 5.375% 08/15/15 5.500% 08/15/20	500,000 550,000	516,675 566,186
IN Health Facility Financing Authority, Community Foundation of Northwest Indiana, Inc., Series 2004 A, 6.000% 03/01/34	425,000	446,526
LA Public Facilities Authority, Touro Infirmary, Series 1999 A: 5.500% 08/15/19 5.625% 08/15/29	250,000 525,000	244,800 508,594
MA Health & Educational Facilities Authority: Jordan Hospital, Series 2003 E, 6.750% 10/01/33 Milford - Whitinsville Regional Hospital: Series 1998 C, 5.250% 07/15/18 Series 2002 D, 6.350% 07/15/32	250,000 500,000 250,000	271,308 501,170 263,198
MD Health & Higher Educational Facilities Authority, Adventist Healthcare, Series 2003 A: 5.000% 01/01/16 5.750% 01/01/25	365,000 400,000	371,296 419,732
MI Dickinson County, Series 1999, 5.700% 11/01/18	770,000	784,222
MI Flint Hospital Building Authority, Hurley Medical Center, Series 1998 A,		

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5.375% 07/01/20	460,000	461,642
MN St. Paul Housing & Redevelopment Authority, HealthEast, Inc., Series 2001 A,		
5.700% 11/01/15	2,000,000	2,060,440

See Accompanying Notes to Financial Statements.

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INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2005

MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)

HEALTH CARE (CONTINUED)		
HOSPITALS (CONTINUED)		
NH Higher Educational & Health Facilities Authority:		
Catholic Medical Center,		
Series 2002,		
6.125% 07/01/32	200,000	211,334
Littleton Hospital Association, Inc.:		
Series 1998 A:		
5.900% 05/01/18	500,000	511,950
6.000% 05/01/28	625,000	640,637
Series 1998 B,		
5.900% 05/01/28	675,000	687,676
NJ Health Care Facilities Authority,		
Capital Health Systems, Inc.,		
Series 2003 A,		
5.750% 07/01/23	500,000	532,170
NV Henderson Healthcare Facilities Authority, Catholic Healthcare West,		
Series 1998,		
5.375% 07/01/26	500,000	510,945
NY Dormitory Authority:		
Mount Sinai Hospital New York University Center,		
Series 2000:		
5.500% 07/01/26	175,000	177,324
5.500% 07/01/26	575,000	582,665
North Shore - Long Island Jewish Medical Center,		
Series 2003,		
5.500% 05/01/33	200,000	209,114
OH Highland County Joint Township Hospital District,		
Series 1999,		
6.750% 12/01/29	705,000	719,170
OH Lakewood Hospital Improvement District,		
Lakewood Hospital Association,		
Series 2003,		
5.500% 02/15/14	400,000	427,764
OH Miami County Hospital Facilities Authority, Upper Valley Medical Center, Inc.,		

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Series 1996 A, 6.250% 05/15/16	665,000	683,806
OH Sandusky County, County Memorial Hospital, Series 1998, 5.150% 01/01/08	270,000	272,857
PA Allegheny County Hospital Development Authority, Ohio Valley General Hospital, Series 1998 A, 5.450% 01/01/28	1,050,000	1,063,587
	PAR (\$)	VALUE (\$)

SC Jobs Economic Development Authority, Bon Secours Health Systems, Inc., Series 2002 A, 5.500% 11/15/23	1,250,000	1,308,737
SC Lexington County Health Services District, Lexington Medical Center, Series 2003, 5.500% 11/01/23	750,000	787,747
SD Health & Educational Facilities Authority, Sioux Valley Hospital & Health System, Series 2004 A, 5.250% 11/01/34	525,000	539,884
TX Tyler Health Facilities Development Corp., Mother Frances Hospital, Series 2001, 6.000% 07/01/31	750,000	787,320
VA Prince William County Industrial Development Authority, Potomac Hospital Corp., Series 2003, 5.200% 10/01/30	350,000	361,351
VT Educational & Health Buildings Finance Agency, Brattleboro Memorial Hospital, Series 1998, 5.375% 03/01/28	500,000	495,155
WI Health & Educational Facilities Authority: Aurora Health Care, Inc., Series 2003, 6.400% 04/15/33 Fort Healthcare, Inc., Series 2004, 6.100% 05/01/34 Wheaton Franciscan Services, Series 2002, 5.750% 08/15/30	350,000 750,000 450,000	381,511 797,775 475,754
	Hospitals Total	26,911,311

INTERMEDIATE CARE FACILITIES - 0.6%		
IN Health Facilities Financing Authority, Hoosier Care, Inc., Series 1999 A, 7.125% 06/01/34	1,045,000	957,722

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	Intermediate Care Facilities Total	957,722

NURSING HOMES - 6.6%		
AK	Juneau St. Ann's Care Center, Inc., Series 1999, 6.875% 12/01/25	1,000,000 974,800
CO	Health Facilities Authority: American Housing Foundation I, Inc., Series 2003 A, 8.500% 12/01/31	540,000 563,522
	Volunteers of America Care Facilities, Series 1998 A: 5.450% 07/01/08	145,000 145,242
	5.750% 07/01/20	700,000 710,703
	Series 1999 A, 6.000% 07/01/29	350,000 351,260

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INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2005

MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)

HEALTH CARE (CONTINUED)		
NURSING HOMES (CONTINUED)		
IA	Finance Authority, Care Initiatives: Series 1996, 9.250% 07/01/25	960,000 1,145,626
	Series 1998 B: 5.750% 07/01/18	550,000 544,715
	5.750% 07/01/28	1,475,000 1,355,908
IN	Gary, West Side Health Care Center, Series 1987 A, 11.500% 10/01/17(c)	2,230,000 669,000
IN	Michigan City Health Facilities Authority, Metro Health Foundation, Inc., Series 1993, 11.000% 11/01/22(c) (d)	3,346,355 335
KY	Kentucky Economic Development Finance Authority, Series 2003, 6.500% 01/01/29	395,000 400,660
MA	Development Finance Agency: AHF/Alliance Health Care Facilities, Series 1999 A, 7.100% 07/01/32	1,120,000 1,131,973
	AHF/Woodlawn Manor, Inc.: Series 2000 A, 7.750% 12/01/27	364,000 196,764
	Series 2000 B, 10.250% 06/01/27(c)	113,186 5,659
MA	Industrial Finance Agency, First Mortgage GF/Massachusetts, Inc.,	

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Series 1994 A, 8.300% 07/01/23	855,000	855,804
MI Cheboygan County Economic Development Corp., Metro Health Foundation, Series 1993, 11.000% 11/01/22(d)	1,814,584	181
MN Carlton, Inter-Faith Social Services, Inc., Series 2000, 7.500% 04/01/19	250,000	264,170
MN Sartell, Foundation for Healthcare, Series 1999 A, 6.625% 09/01/29	1,025,000	1,050,031
TX Kirbyville Health Facilities Development Corp., Heartway III, Series 1997 A, 10.000% 03/20/18(c)	539,215	161,764

	Nursing Homes Total	10,528,117

	HEALTH CARE TOTAL	66,582,864

	PAR (\$)	VALUE (\$)
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HOUSING - 14.9%		
ASSISTED LIVING / SENIOR - 4.8%		
DE Kent County, Heritage at Dover, Series 1999, AMT, 7.625% 01/01/30	1,195,000	1,084,331
GA Columbus Housing Authority, The Gardens at Calvary, Series 1999, 7.000% 11/15/19	480,000	459,029
IL Development Finance Authority, Care Institute, Inc., Series 1995, 8.250% 06/01/25	1,380,000	1,423,953
MN Roseville, Care Institute, Inc., Series 1993, 7.750% 11/01/23	1,630,000	1,341,490
NC Medical Care Commission, DePaul Community Facilities, Series 1999, 7.625% 11/01/29	960,000	1,004,515
NY Huntington Housing Authority, Gurwin Jewish Senior Center, Series 1999 A: 5.875% 05/01/19	420,000	416,422
6.000% 05/01/29	650,000	640,282
TX Bell County Health Facility Development Corp., Care Institute, Inc., Series 1994, 9.000% 11/01/24	1,355,000	1,288,998

	Assisted Living/Senior Total	7,659,020

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MULTI-FAMILY - 8.5%		
DC Housing Finance Agency, Henson Ridge, Series 2004 E, AMT, Insured: FHA		
5.100% 06/01/37	655,000	662,159
DE Wilmington, Electra Arms Senior Association, Series 1998, AMT,		
6.250% 06/01/28	910,000	772,517
FL Broward County Housing Finance Authority, Chaves Lake Apartment, Series 2000 A, AMT,		
7.500% 07/01/40	500,000	501,110
FL Clay County Housing Finance Authority, Madison Commons Apartments, Series 2000 A, AMT,		
7.450% 07/01/40	500,000	502,530

See Accompanying Notes to Financial Statements.

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INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2005

MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)
HOUSING (CONTINUED)		
MULTI-FAMILY (CONTINUED)		
MA Housing Finance Agency:		
Series 2004 A, AMT, Insured: FSA		
5.250% 07/01/25	2,000,000	2,045,080
Series 2005 B, 5.000% 06/01/30	500,000	511,115
Series 2005 E, AMT, 5.000% 12/01/28	500,000	500,000
MN Washington County Housing & Redevelopment Authority, Cottages of Aspen, Series 1992, AMT,		
9.250% 06/01/22	960,000	982,330
MN White Bear Lake, Birch Lake Townhome: Series 1989 A, AMT, 10.250% 07/15/19	1,770,000	1,681,500
Series 1989 B, (a) 07/15/19	624,000	185,291
NC Medical Care Commission, ARC Projects, Series 2004 A, 5.800% 10/01/34	400,000	409,904
NM Mortgage Finance Authority, Series 2005 E, AMT, Insured: FHA		

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4.800% 09/01/40	1,000,000	965,040
NY New York City Housing Development Corp., Series 2005 F-1,		
4.650% 11/01/25	750,000	764,918
OH Montgomery County, Series 2005, AMT,		
4.950% 11/01/35	250,000	250,185
Resolution Trust Corp., Pass-Through Certificates, Series 1993 A,		
9.750% 12/01/16(e)	455,481	446,690
TN Chattanooga Health, Educational & Housing Facility Board, CDFI Phase I LLC, Series 2005 B,		
6.000% 10/01/35	250,000	247,235
TN Franklin Industrial Development Board, Landings Apartment, Series 1996 B,		
8.750% 04/01/27	670,000	681,671
TX Affordable Housing Corp., NHT/GTEX Project, Series 2001 C,		
10.000% 10/01/31(c) (f)	685,000	6,850
	PAR (\$)	VALUE (\$)

TX El Paso County Housing Finance Corp., American Village Communities: Series 2000 C,		
8.000% 12/01/32	300,000	308,712
Series 2000 D,		
10.000% 12/01/32	300,000	309,063
VA Alexandria Redevelopment & Housing Authority, Courthouse Commons Apartments, Series 1990 A, AMT,		
10.000% 01/01/21	1,000,000	814,320

	Multi-Family Total	13,548,220

SINGLE-FAMILY - 1.6%		
KY Kentucky County, Series 1987 A, AMT, Insured: MBIA		
9.000% 09/01/16	15,000	15,040
MA Housing Finance Agency, Series 2005 118, AMT,		
4.850% 12/01/35	1,160,000	1,129,585
ME Housing Authority, Series 2005 D-2, AMT,		
4.800% 11/15/36	500,000	490,735
WI Housing & Economic Development Authority, Series 2005 C, AMT,		
4.875% 03/01/36	1,000,000	975,510

	Single-Family Total	2,610,870

	HOUSING TOTAL	23,818,110

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INDUSTRIALS - 9.5%		
FOOD PRODUCTS - 1.6%		
GA Cartersville Development Authority, Anheuser Busch Project, Inc., Series 2002, AMT, 5.950% 02/01/32	1,000,000	1,052,690
LA Southern Louisiana Port Commission, Cargill, Inc., Series 1997, 5.850% 04/01/17	500,000	514,045
MI Strategic Fund, Michigan Sugar Co., Series 1998 A, 6.250% 11/01/15	1,000,000	999,930

	Food Products Total	2,566,665

FOREST PRODUCTS & PAPER - 2.4%		
AL Camden Industrial Development Board, Weyerhaeuser Co., Series 2003 B, AMT, 6.375% 12/01/24	400,000	435,772
AL Courtland Industrial Development Board, International Paper, Series 1999, AMT, 6.000% 08/01/29	1,000,000	1,043,460

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INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2005

MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)

INDUSTRIALS (CONTINUED)		
FOREST PRODUCTS & PAPER (CONTINUED)		
AL Phenix City Industrial Development Board, Meadwestvaco Corp., Series 2002 A, AMT, 6.350% 05/15/35	400,000	429,300
GA Rockdale County Development Authority, Visy Paper, Inc., Series 1993, AMT, 7.500% 01/01/26	800,000	801,432
MS Lowndes County, Disposal & Pollution Control, Weyerhaeuser Co., Series 1992 B, 6.700% 04/01/22	595,000	708,960
VA Bedford County Industrial Development Authority, Nekoosa Packaging Corp., Series 1998, AMT,		

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5.600% 12/01/25	400,000	376,956

	Forest Products & Paper Total	3,795,880

MANUFACTURING - 1.0%		
IL Will-Kankakee Regional Development Authority, Flanders Corp., Series 1997, AMT, 6.500% 12/15/17		
	785,000	794,067
TX Trinity River Authority, Texas Instruments Project, Series 1996, AMT, 6.200% 03/01/20		
	750,000	767,715

	Manufacturing Total	1,561,782

METALS & MINING - 0.3%		
NV Department of Business & Industry, Wheeling-Pittsburgh Steel Corp., Series 1999 A, AMT, 8.000% 09/01/14(e)		
	205,000	202,300
VA Greensville County Industrial Development Authority, Wheeling-Pittsburgh Steel Corp., Series 1999 A, AMT, 7.000% 04/01/14		
	345,000	318,094

	Metals & Mining Total	520,394

OIL & GAS - 4.2%		
NJ Middlesex County Pollution Authority, Amerada Hess Corp., Series 2004, 6.050% 09/15/34		
	115,000	121,106
NV Clark County Industrial Development Authority, Southwest Gas Corp., Series 2005 A, AMT, Insured: AMBAC 4.850% 10/01/35		
	5,000,000	4,938,300

	PAR (\$)	VALUE (\$)

TX Gulf Coast Industrial Development Authority, Citgo Petroleum, Series 1998, AMT, 8.000% 04/01/28		
	375,000	421,530
VI Virgin Islands, Hovensa LLC, Series 2002, AMT, 6.500% 07/01/21		
	250,000	281,895
VI Virgin Islands Public Finance Authority, Hovensa LLC: Series 2003, AMT, 6.125% 07/01/22		
	425,000	464,287
Series 2004, AMT, 5.875% 07/01/22		
	400,000	430,384

	Oil & Gas Total	6,657,502

	INDUSTRIALS TOTAL	15,102,223

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OTHER - 15.6%		
POOL/BOND BANK - 0.8%		
MI Municipal Bond Authority, Local Government Loan, Series 2001 A, Insured: AMBAC 5.375% 11/01/17	550,000	595,518
OH Summit County Port Authority, Twinsburg Township, Series 2005 D, 5.125% 05/15/25	655,000	647,913
	Pool/Bond Bank Total	1,243,431

REFUNDED/ESCROWED (G) - 12.7%		
CA Golden State Tobacco Securitization Corp., Series 2003 B, Pre-refunded 06/01/13, 5.500% 06/01/43	500,000	553,420
CA Orange County Community Facilities District, Ladera Ranch, Series 1999 A, Pre-refunded 08/15/09, 6.500% 08/15/21	1,000,000	1,121,390
CO E-470 Public Highway Authority, Series 2000 B, Pre-refunded 09/01/10, (a) 09/01/35	8,750,000	1,109,850
CT Development Authority, New Haven Residuals LP, Series 1996, AMT, Escrowed to Maturity, 8.250% 12/01/06	410,000	421,406
FL Northern Palm Beach County Improvement District, Series 1999, Pre-refunded 08/01/09, Insured: MBIA 5.900% 08/01/19	500,000	546,030

See Accompanying Notes to Financial Statements.

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INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2005

MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)
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OTHER (CONTINUED)

REFUNDED/ESCROWED (G) (CONTINUED)

GA Forsyth County Hospital Authority,
Georgia Baptist Health Care System,
Series 1998,
Escrowed to Maturity,

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6.000% 10/01/08	480,000	499,781
ID Health Facilities Authority, IHC Hospitals, Inc., Series 1992, Escrowed to Maturity, 6.650% 02/15/21	2,750,000	3,481,362
IL Health Facilities Authority, Swedish American Hospital, Series 2000, Pre-refunded 05/15/10, 6.875% 11/15/30	500,000	563,890
IL Metropolitan Pier & Exposition Authority, McCormick Place Expansion, Series 1993 A, Escrowed to Maturity, Insured: FGIC (a) 06/15/14	1,010,000	704,263
IL University of Illinois, Series 2001 A, Pre-refunded 08/15/11, Insured: AMBAC 5.500% 08/15/17	600,000	656,694
MA Development Finance Agency, Western New England College, Series 2002, Pre-refunded 12/01/12, 6.125% 12/01/32	200,000	229,002
NC Lincoln County, Lincoln County Hospital, Series 1991, Escrowed to Maturity, 9.000% 05/01/07	140,000	146,523
NY Convention Center Operating Corp., Yale Building Project, Series 2003, (a) 06/01/08	1,000,000	917,040
NY New York: Series 1998 H, Escrowed to Maturity, 5.125% 08/01/25	185,000	195,003
Series 1998 H, Unrefunded Balance, 5.125% 08/01/25	4,815,000	5,026,282
PA Delaware County Authority, Mercy Health Corp., Series 1996, Pre-refunded 12/15/08: 6.000% 12/15/16	1,400,000	1,457,330
6.000% 12/15/26	500,000	519,165
	PAR (\$)	VALUE (\$)

PR Commonwealth of Puerto Rico Public Finance Corp., Series 2002 E, Escrowed to Maturity, 6.000% 08/01/26	80,000	97,376
TN Shelby County Health, Educational & Housing Facilities Board, Open Arms Development Centers: Series 1992 A, Pre-refunded 08/01/07,		

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9.750% 08/01/19 Series 1992 C, Pre-refunded 08/01/12,	435,000	494,730
9.750% 08/01/19	440,000	500,416
TX Board of Regents, University of Texas, Series 2001 B, Escrowed to Maturity,		
5.375% 08/15/18	350,000	378,403
WV Hospital Finance Authority, Charleston Area Medical Center, Series 2000 A, Pre-refunded 09/01/10,		
6.750% 09/01/30	605,000	691,775

	Refunded/Escrowed Total	20,311,131

TOBACCO - 2.1%		
CA Golden State Tobacco Securitization Corp., Series 2003 A-1,		
6.250% 06/01/33	1,600,000	1,736,336
NJ Tobacco Settlement Financing Corp., Series 2003,		
6.750% 06/01/39	1,000,000	1,115,780
WA Tobacco Settlement Authority, Series 2002,		
6.625% 06/01/32	500,000	537,055

	Tobacco Total	3,389,171

	OTHER TOTAL	24,943,733

OTHER REVENUE - 5.2%		
HOTELS - 1.9%		
NJ Middlesex County Improvement Authority, Heldrich Associates LLC, Series 2005 B,		
6.250% 01/01/37	1,000,000	985,290
PA Philadelphia Authority for Industrial Development, Doubletree Project, Series 1997 A,		
6.500% 10/01/27	2,000,000	2,089,580

	Hotels Total	3,074,870

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See Accompanying Notes to Financial Statements.

INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2005

MUNICIPAL BONDS (CONTINUED)

PAR (\$)

VALUE (\$)

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OTHER REVENUE (CONTINUED)		
RECREATION - 1.8%		
CA Agua, Caliente Band of Cahuilla Indians, Series 2003, 5.600% 07/01/13	775,000	804,520
CA Cabazon Band Mission Indians, Series 2004: 8.375% 10/01/15(e)	205,000	209,192
8.750% 10/01/19(e)	780,000	795,904
CT Mashantucket Western Pequot, Series 1999 B, (a) 09/01/18(e)	1,100,000	548,625
CT Mohegan Tribe Gaming Authority, Series 2001, 6.250% 01/01/31(e)	200,000	211,758
NM Red River Sports Facility, Red River Ski Area, Series 1998, 6.450% 06/01/07	350,000	351,222

	Recreation Total	2,921,221

RETAIL - 1.5%		
LA Beauregard Parish, Office Max, Series 2002, 6.800% 02/01/27	1,000,000	1,080,740
NY New York City Industrial Development Agency, IAC/Interactive Corp., Series 2005, 5.000% 09/01/35	750,000	744,772
OH Lake County, North Madison Properties, Series 1993, 8.819% 09/01/11	570,000	567,760

	Retail Total	2,393,272

	OTHER REVENUE TOTAL	8,389,363

RESOURCE RECOVERY - 2.1%		
DISPOSAL - 0.8%		
CA Pollution Control Financing Authority, Republic Services, Series 2002 C, AMT, 5.250% 06/01/23	500,000	522,670
UT Carbon County, Laidlaw Environmental: Series 1995 A, AMT, 7.500% 02/01/10	250,000	256,345
Series 1997 A, AMT, 7.450% 07/01/17	500,000	530,345

	Disposal Total	1,309,360

RESOURCE RECOVERY - 1.3%		
MA Industrial Finance Agency, Ogden Haverhill Associates, Series 1998 A, AMT,		

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	PAR (\$)	VALUE (\$)
5.500% 12/01/13	1,000,000	1,017,600

PA Delaware County Industrial Development Authority, American REF-Fuel Co., Series 1997 A, 6.200% 07/01/19	1,000,000	1,041,960
Resource Recovery Total		2,059,560
RESOURCE RECOVERY TOTAL		3,368,920

TAX-BACKED - 25.5%		
LOCAL APPROPRIATED - 1.6%		
CA Compton Civic Center & Capital Improvements, Series 1997 A, 5.500% 09/01/15	1,000,000	1,036,770
SC Dorchester County School District No. 2, Series 2004, 5.250% 12/01/29	500,000	511,885
SC Laurens County School District No. 55, Series 2005, 5.250% 12/01/30	700,000	711,991
SC Newberry County School District, Series 2005, 5.000% 12/01/30	400,000	398,868
Local Appropriated Total		2,659,514

LOCAL GENERAL OBLIGATIONS - 7.4%		
CA East Side Union High School District, Series 2003 B, Insured: MBIA 5.100% 02/01/20	750,000	818,970
CA Fresno Unified School District, Series 2002 A, Insured: MBIA 6.000% 02/01/18	1,245,000	1,461,941
CA Los Angeles Unified School District, Series 2002 E, Insured: MBIA 5.750% 07/01/16	600,000	686,526
CA Vallejo City Unified School District, Series 2002 A, Insured: MBIA 5.900% 08/01/25	1,000,000	1,175,980
CO Castle Oaks Metropolitan District, Series 2005, 6.125% 12/01/35	500,000	492,595
LA New Orleans, Series 1991, Insured: AMBAC (a) 09/01/15	4,000,000	2,453,960

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NJ Bergen County Improvement
 Authority,
 Series 2005,
 5.000% 11/15/24 1,000,000 1,088,740

See Accompanying Notes to Financial Statements. | 11

 INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2005

MUNICIPAL BONDS (CONTINUED) PAR (\$) VALUE (\$)

 TAX-BACKED (CONTINUED)

LOCAL GENERAL OBLIGATIONS (CONTINUED)

TX Dallas County Flood Control District, Series 2002, 7.250% 04/01/32	750,000	796,995
TX Irving Independent School District, Series 1997 A, Insured: PSFG (a) 02/15/16	1,000,000	635,540
WA Clark County School District No. 37, Series 2001 C, Insured: FGIC (a) 12/01/18	4,000,000	2,194,720
Local General Obligations Total		11,805,967

SPECIAL NON-PROPERTY TAX - 6.4%

CA San Diego Redevelopment Agency, Series 2001, Insured: FSA (a) 09/01/18	1,015,000	569,730
IL Metropolitan Pier & Exposition Authority, McCormick Place Expansion: Series 1994 A, Insured: MBIA (a) 06/15/15	3,000,000	1,976,940
Series 1996 A, Insured: MBIA (a) 12/15/13	5,000,000	3,574,300
Series 2002 A, Insured: FGIC (a) 06/15/14	3,990,000	2,768,262
KS Wyandotte County Unified Government, Series 2005, 5.000% 12/01/20	225,000	231,133
NJ Economic Development Authority, Cigarette Tax, Series 2004: 5.500% 06/15/31	120,000	123,120
5.750% 06/15/29	500,000	524,030

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PR Commonwealth of Puerto Rico		
Highway & Transportation Authority,		
Series 2003 AA,		
Insured: MBIA		
5.500% 07/01/18	375,000	425,809

Special Non-Property Tax Total		10,193,324

SPECIAL PROPERTY TAX - 8.0%		
CA Huntington Beach Community		
Facilities District,		
Grand Coast Resort,		
Series 2001-1,		
6.450% 09/01/31	500,000	518,715
CA Lincoln Community Facilities		
District No. 2003-1,		
Series 2004,		
5.550% 09/01/18	500,000	522,525
	PAR (\$)	VALUE (\$)

CA Oakdale Public Financing Authority,		
Central City Redevelopment,		
Series 2004,		
5.375% 06/01/33	1,125,000	1,129,185
CA Orange County Improvement		
Bond Act 1915,		
Phase IV, No. 01-1-B,		
Series 2003,		
5.750% 09/02/33	500,000	509,955
CA Redwood City Community		
Facilities District No. 1,		
Series 2003 B,		
6.000% 09/01/33	300,000	309,513
CA Temecula Valley Unified School		
District No. 1,		
Series 2003,		
6.125% 09/01/33	355,000	364,525
CA Yorba Linda Redevelopment		
Agency,		
Series 1998 A,		
Insured: MBIA		
(a) 09/01/24	1,325,000	535,499
FL Celebration Community		
Development District,		
Series 2003 A,		
6.400% 05/01/34	740,000	778,376
FL Colonial Country Club		
Community Development District,		
Series 2003,		
6.400% 05/01/33	490,000	515,411
FL Double Branch Community		
Development District,		
Series 2002 A,		
6.700% 05/01/34	495,000	531,838
FL Heritage Palms Community		
Development District,		
Series 1999 A,		
6.250% 11/01/07	35,000	34,857
FL Islands at Doral Southwest		
Community Development District,		
Series 2003,		

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6.375% 05/01/35	250,000	262,377
FL Lexington Oaks Community Development District, Series 1998 A,		
6.125% 05/01/19	685,000	692,699
FL Orlando, Conroy Road Interchange, Series 1998 A:		
5.500% 05/01/10	105,000	107,243
5.800% 05/01/26	300,000	304,821
FL Seven Oaks Community Development District, Series 2004 B,		
5.000% 05/01/09	980,000	978,863

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INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2005

MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)

TAX-BACKED (CONTINUED)		
SPECIAL PROPERTY TAX (CONTINUED)		
FL Stoneybrook Community Development District: Series 1998 A,		
6.100% 05/01/19	230,000	232,629
Series 1998 B, 5.700% 05/01/08	25,000	25,115
FL Westchester Community Development District No. 1, Series 2003,		
6.125% 05/01/35	275,000	284,430
GA Atlanta Eastside Project, Series 2005 B, 5.400% 01/01/20	500,000	496,780
IL Chicago, Pilsen Redevelopment, Series 2004 B, 6.750% 06/01/22	310,000	320,965
IL Lincolnshire Special Services Area No. 1, Sedgebrook Project, Series 2004, 6.250% 03/01/34	250,000	260,893
IL Plano Special Service Area No. 4, Series 2005 5-B, 6.000% 03/01/35	1,500,000	1,471,710
MI Pontiac Tax Increment Finance Authority, Development Area No. 3, Series 2002, 6.375% 06/01/31	450,000	480,415
MI Taylor Tax Increment Finance Authority, Series 2001, Insured: FSA		

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5.375% 05/01/17	1,000,000	1,072,910

Special Property Tax Total		12,742,249

STATE APPROPRIATED - 1.2%		
MI Building Authority, Series 2001 I, 5.000% 10/15/24	1,000,000	1,037,220
PR Commonwealth of Puerto Rico Public Finance Corp., Series 2002 E, 6.000% 08/01/26	820,000	961,122

State Appropriated Total		1,998,342

STATE GENERAL OBLIGATIONS - 0.9%		
CA State, Series 2003, 5.250% 02/01/23	380,000	415,245
PR Commonwealth of Puerto Rico, Public Improvement, Series 2003 A, 5.000% 07/01/27	1,000,000	999,960

State General Obligations Total		1,415,205

TAX-BACKED TOTAL		40,814,601

	PAR (\$)	VALUE (\$)
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TRANSPORTATION - 14.3%		
AIR TRANSPORTATION - 4.4%		
CA Los Angeles Regional Airport, LAXfuel Corp., Series 2001, AMT, Insured: AMBAC 5.250% 01/01/23	500,000	511,465
CO Denver City & County Airport, United Air Lines, Inc., Series 1992 A, AMT, 6.875% 10/01/32(d)	645,000	589,401
FL Capital Trust Agency, Air Cargo-Orlando, Series 2003, AMT, 6.750% 01/01/32	350,000	353,119
IN Indianapolis Airport Authority, FedEx Corp., Series 2004, AMT, 5.100% 01/15/17	500,000	516,710
MN Minneapolis & St. Paul Metropolitan Airports Commission, Northwest Airlines, Inc.: Series 2001 A, AMT, 7.000% 04/01/25(h)	800,000	502,328
Series 2005, AMT, 7.375% 04/01/25(h)	250,000	160,095
NC Charlotte/Douglas International Airport, US Airways, Inc.: Series 1998, AMT, 5.600% 07/01/27	250,000	166,783
Series 2000, AMT,		

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7.750% 02/01/28	500,000	438,875
NJ Economic Development Authority, Continental Airlines, Inc., Series 2003, AMT,		
9.000% 06/01/33	1,250,000	1,303,862
NY New York City Industrial Development Agency, Special Facility Terminal One Group-JFK International Airport, Series 2005, AMT,		
5.500% 01/01/21(i)	500,000	526,070
NY New York City Industrial Development Authority, JFK International Airport, American Airlines, Inc., Series 2002 B, AMT,		
8.500% 08/01/28	500,000	514,375
PA Philadelphia Authority for Industrial Development, Aero Philadelphia, Series 1999, AMT,		
5.250% 01/01/09	250,000	251,750

See Accompanying Notes to Financial Statements.

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INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2005

MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)

TRANSPORTATION (CONTINUED)		
AIR TRANSPORTATION (CONTINUED)		
TX Dallas-Fort Worth International Airport, American Airlines, Inc., Series 2000 A, AMT,		
9.000% 05/01/29	750,000	702,090
TX Houston Industrial Development Corp., United Parcel Services, Series 2002, AMT,		
6.000% 03/01/23	525,000	541,070

	Air Transportation Total	7,077,993

AIRPORTS - 2.0%		
GA Augusta Airport, Series 2005 B, AMT,		
5.350% 01/01/28	215,000	216,034
TX Dallas Fort Worth International Airport, Series 2004 B, AMT, Insured: FSA		
5.000% 11/01/25	3,000,000	3,034,320

	Airports Total	3,250,354

TOLL FACILITIES - 3.0%		
CA San Joaquin Hills Transportation		

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Corridor Agency, Series 1997 A, Insured: MBIA (a) 01/15/15	3,000,000	2,014,740
CO E-470 Public Highway Authority, Series 2000 B, Insured: MBIA (a) 09/01/18	3,000,000	1,665,120
CO Northwest Parkway Public Highway Authority, Series 2001 D, 7.125% 06/15/41	1,000,000	1,068,070

	Toll Facilities Total	4,747,930

TRANSPORTATION - 4.9%		
NV Department of Business & Industry, Las Vegas Monorail, Series 2000, 7.375% 01/01/40	750,000	777,525
NY Port Authority of New York & New Jersey, Series 2004, AMT, Insured: FSA 5.125% 07/15/30 (j)	6,790,000	7,051,279

	Transportation Total	7,828,804

	TRANSPORTATION TOTAL	22,905,081

UTILITIES - 16.9%		
INDEPENDENT POWER PRODUCERS - 2.6%		
MI Midland County Economic Development Corp., Series 2000 A, AMT, 6.875% 07/23/09	1,000,000	991,410
	PAR (\$)	VALUE (\$)

NY Port Authority of New York & New Jersey, KIAC Partners, Series 1996 IV, AMT, 6.750% 10/01/11	2,000,000	2,085,780
NY Suffolk County Industrial Development Authority, Nissequoque Cogeneration Partners Facilities, Series 1998, AMT, 5.500% 01/01/23	550,000	539,825
PA Carbon City Industrial Development Authority, Panther Creek Partners, Series 2000, AMT, 6.650% 05/01/10	130,000	139,127
PR Commonwealth of Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Cogeneration Facilities, AES Project, Series 2000, AMT, 6.625% 06/01/26	320,000	343,831

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	-----	4,099,973	-----
Independent Power Producers Total			
INVESTOR OWNED - 7.5%			
AZ Pima County Industrial Development Authority, Tucson Electric Power Co., Series 1997 A, AMT, 6.100% 09/01/25	750,000		750,473
CA Chula Vista Industrial Development Authority, San Diego Gas & Electric, Series 1996 B, AMT, 5.500% 12/01/21	475,000		500,579
FL Polk County Industrial Development Authority, Tampa Electric Co., Series 1996, AMT, 5.850% 12/01/30	800,000		823,512
IL Bryant, Central Illinois Light Co., Series 1993, 5.900% 08/01/23	1,000,000		1,005,960
IN Petersburg, Indianapolis Power & Light Co., Series 1995, 6.625% 12/01/24	750,000		758,587
LA Calcasieu Parish Industrial Development Board, Entergy Gulf States, Inc., Series 1999, 5.450% 07/01/10	500,000		503,090
LA West Feliciana Parish, Entergy Gulf States, Inc., Series 1999 B, 6.600% 09/01/28	500,000		505,010

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See Accompanying Notes to Financial Statements.

INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2005

MUNICIPAL BONDS (CONTINUED)	PAR (\$)	VALUE (\$)

UTILITIES (CONTINUED)		
INVESTOR OWNED (CONTINUED)		
MS Business Finance Corp., Systems Energy Resources, Series 1998, 5.875% 04/01/22	1,500,000	1,518,600
MT Forsyth, Portland General, Series 1998 A, 5.200% 05/01/33	225,000	232,619
NV Clark County Industrial Development Authority, Nevada Power Co., Series 1997 A, AMT, 5.900% 11/01/32	1,500,000	1,500,405
OH Air Quality Development Authority,		

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Cleveland Electric Illuminating Co., Series 2002 A, 6.000% 12/01/13	650,000	680,238
PA Economic Development Financing Authority, Reliant Energy, Inc., Series 2001 A, AMT, 6.750% 12/01/36	400,000	426,116
TX Brazos River Authority, TXU Energy Co., LLC: Series 2001 C, AMT, 5.750% 05/01/36	220,000	233,743
Series 2003 C, AMT, 6.750% 10/01/38	555,000	613,641
VA Pittsylvania County Industrial Development Authority, Virginia Electric & Power Co., Series 1994 A, AMT, 7.450% 01/01/09	900,000	926,613
WY Campbell County, Black Hills Power, Inc., Series 2004, 5.350% 10/01/24	1,000,000	1,026,910

	Investor Owned Total	12,006,096

JOINT POWER AUTHORITY - 0.3%		
NC Eastern Municipal Power Agency, Series 2003 F, 5.500% 01/01/16	430,000	460,130

	Joint Power Authority Total	460,130

MUNICIPAL ELECTRIC - 2.9%		
CA Department of Water Resources Power Supply, Series 2002 A, Insured: AMBAC 5.500% 05/01/14	2,000,000	2,212,140
WA Seattle Light & Power, Series 2001, Insured: FSA 5.500% 03/01/17	2,250,000	2,417,152

	Municipal Electric Total	4,629,292

	PAR (\$)	VALUE (\$)
-----	-----	-----
WATER & SEWER - 3.6%		
LA New Orleans Sewage Service, Series 2005, 3.000% 07/26/06	1,000,000	965,270
MA Water Resources Authority, Series 1997 D, Insured: MBIA 5.000% 08/01/24	2,000,000	2,080,440
MS V Lakes Utility District, Series 1994, 8.250% 07/15/24	485,000	443,329
TX Houston Water & Sewer System, Series 1991 C, Insured: AMBAC		

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(a) 12/01/12	3,000,000	2,251,170

Water & Sewer Total		5,740,209

UTILITIES TOTAL		26,935,700

TOTAL MUNICIPAL BONDS (cost of \$243,594,822)		243,026,312

MUNICIPAL PREFERRED STOCKS - 2.0%	SHARES	

HOUSING - 2.0%		
MULTI-FAMILY - 2.0%		
Charter Mac Equity Issuer Trust, AMT:		
6.000% 04/30/19	1,000,000	1,068,880
7.600% 11/30/10(e)	500,000	559,995
GMAC Municipal Mortgage Trust, AMT,		
5.600% 10/31/39(e)	500,000	505,315
MuniMae Trust, AMT,		
5.800% 06/30/49(e)	1,000,000	1,013,350

Multi-Family Total		3,147,540

HOUSING TOTAL		3,147,540

TOTAL MUNICIPAL PREFERRED STOCKS (cost of \$3,000,000)		3,147,540

INVESTMENT COMPANY - 0.0%		

Dreyfus Tax-Exempt Cash Management Fund	1,566	1,566

TOTAL INVESTMENT COMPANY (cost of \$1,566)		1,566

SHORT-TERM OBLIGATIONS - 0.7%	PAR (\$)	

VARIABLE RATE DEMAND NOTES (K) - 0.7%		
IL Health Facilities Authority, OSF Healthcare Systems, Series 2002, LOC: Fifth Third Bank 3.000% 11/15/27	600,000	600,000
See Accompanying Notes to Financial Statements.		15

INVESTMENT PORTFOLIO (CONTINUED)		

November 30, 2005		
SHORT-TERM OBLIGATIONS (CONTINUED)	PAR (\$)	VALUE (\$)

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VARIABLE RATE DEMAND NOTES (K) (CONTINUED)

MN Higher Education Facilities Authority, St. Olaf College, Series 2002, LOC: Harris Trust & Savings Bank 3.030% 10/01/32	600,000	600,000
	VARIABLE RATE DEMAND NOTES TOTAL	1,200,000
TOTAL SHORT-TERM OBLIGATIONS (cost of \$1,200,000)		1,200,000
TOTAL INVESTMENTS - 154.8% (cost of \$247,796,388) (1)		247,375,418
AUCTION PREFERRED SHARES PLUS CUMULATIVE UNPAID DISTRIBUTIONS - (56.3)%		(90,036,977)
OTHER ASSETS & LIABILITIES, NET -1.5%		2,453,766
NET ASSETS - 100.0%		159,792,207

NOTES TO INVESTMENT PORTFOLIO:

- (a) Zero coupon bond.
- (b) Denotes a restricted security, which is subject to restrictions on resale under federal securities laws or in transactions exempt from registration. At November 30, 2005, the value of this securities amounted \$1,927,784 which represents 1.2% of net assets.

Additional information on these securities is as follows:

SECURITY	ACQUISITION DATE	ACQUISITION COST
CA Statewide Community Development Authority: Crossroads School for Art & Sciences, Series 1998: 6.000% 08/01/28	08/21/98	\$ 370,000
6.000% 08/01/28	08/31/98	700,000
Eskaton Village - Grass Valley, Series 2000, 8.250% 11/15/31	09/08/00	725,000
		\$ 1,795,000

- (c) The issuer is in default of certain debt covenants. Income is not being accrued. At November 30, 2005, the value of these securities amounted to \$843,273, which represents 0.5% of net assets.
- (d) The issuer has filed for bankruptcy protection under Chapter 11, and is in default of certain debt covenants. Income is not being accrued. At November 30, 2005, the value of these securities amounted to \$589,917, which represents 0.4% of net assets.
- (e) Security exempt from registration pursuant to Rule 144A under the

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Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At November 30, 2005, these securities, which did not include any illiquid securities except for the following, amounted to \$4,493,129, which represents 2.8% of net assets.

SECURITY	ACQUISITION DATE	PAR	COST	VALUE

Resolution Trust Corp., Pass-Through Certificates, Series 1993A, 9.750% 12/01/16	08/27/93	\$455,481	\$455,481	\$446,690

- (f) Represents fair value as determined in good faith under procedures approved by the Board of Trustees.
- (g) The Trust has been informed that each issuer has placed direct obligations of the U.S. Government in an irrevocable trust, solely for the payment of principal and interest.
- (h) The issuer has filed for bankruptcy protection under Chapter 11, and is in default of certain debt covenants. Income is being accrued. At November 30, 2005, the value of these securities amounted to \$662,423, which represents 0.4% of net assets.
- (i) Security purchased on a delayed delivery basis.
- (j) A portion of this security with a market value of \$1,038,480 is pledged as collateral for open futures contracts.
- (k) Variable rate demand notes. These securities are payable upon demand and are secured by letters of credit or other credit support agreements from banks. The interest rates change periodically and the interest rates shown reflect the rates as of November 30, 2005.
- (l) Cost for federal income tax purposes is \$247,679,495.

At November 30, 2005, the Trust held the following open short futures contracts:

TYPE	NUMBER OF CONTRACTS	VALUE	AGGREGATE FACE VALUE	EXPIRATION DATE	UNREALIZED APPRECIATION (DEPRECIATION)

U.S. Treasury Bonds	115	\$12,883,594	\$12,897,336	Mar-06	\$ 13,742
U.S. Treasury Notes	247	26,807,218	26,794,282	Mar-06	(12,936)

					\$ 806

ACRONYM	NAME

AMBAC	Ambac Assurance Corp.
AMT	Alternative Minimum Tax
FGIC	Financial Guaranty Insurance Co.
FHA	Federal Housing Administration
FSA	Financial Security Assurance, Inc.
LOC	Letter of Credit
MBIA	MBIA Insurance Corp.

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PSFG

Permanent School Fund Guaranteed

At November 30, 2005, the composition of the Trust by revenue source is as follows:

HOLDINGS BY REVENUE SOURCE (UNAUDITED)	% OF NET ASSETS
Health Care	41.7%
Tax-Backed	25.5
Utilities	16.9
Housing	16.9
Other	15.6
Transportation	14.3
Industrials	9.5
Education	6.4
Other Revenue	5.2
Resource Recovery	2.1
Investment Company	0.0*
Short-Term Obligations	0.7
Auction Preferred Shares	(56.3)
Other Assets & Liabilities, Net	1.5

	100.0%

* Rounds to less than 0.1%.

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STATEMENT OF ASSETS AND LIABILITIES

November 30, 2005

ASSETS:

Investments, at cost	\$ 247,796,388

Investments, at value	\$ 247,375,418
Cash	85,470
Receivable for:	
Interest	3,898,676
Futures variation margin	52,581
Deferred Trustees' compensation plan	19,285

Total Assets	251,431,430

LIABILITIES:

Payable for:

Investments purchased on a delayed delivery basis	522,790
Distributions -- common shares	860,055
Distributions -- preferred shares	36,977
Investment advisory fee	131,975
Pricing and bookkeeping fees	9,681
Trustees' fees	1,452
Custody fee	654

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Audit fee	29,126
Preferred shares remarketing commissions	3,086
Chief compliance officer expenses	1,161
Deferred Trustees' fees	19,285
Other liabilities	22,981

Total Liabilities	1,639,223

AUCTION PREFERRED SHARES (3,600 shares issued and outstanding at \$25,000 per share)	\$ 90,000,000

COMPOSITION OF NET ASSETS

APPLICABLE TO COMMON SHARES:

Paid-in capital -- common shares	\$ 202,539,787
Undistributed net investment income	173,993
Accumulated net realized loss	(42,501,409)
Net unrealized appreciation (depreciation) on:	
Investments	(420,970)
Futures contracts	806

Net assets at value applicable to 27,741,654 common shares of beneficial interest outstanding	\$ 159,792,207
	=====

Net asset value per common share	\$ 5.76
	=====

STATEMENT OF OPERATIONS

For the Year Ended November 30, 2005

INVESTMENT INCOME:

Interest	\$ 14,686,423
Dividends	2,158

Total Investment Income	14,688,581

EXPENSES:

Investment advisory fee	1,631,372

Transfer agent fee	67,941
Pricing and bookkeeping fees	137,778
Trustees' fees	15,404
Preferred shares remarketing commissions	225,257
Custody fee	19,123
Chief compliance officer expenses	5,305
Other expenses	147,630

Total Expenses	2,249,810
Custody earnings credit	(1,434)

Net Expenses	2,248,376

Net Investment Income	12,440,205

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NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FUTURES CONTRACTS:	
Net realized gain (loss) on:	
Investments	2,206,852
Futures contracts	(705,251)

Net realized gain	1,501,601

Net change in unrealized appreciation (depreciation) on:	
Investments	587,433
Futures contracts	34,672

Net change in unrealized appreciation (depreciation)	622,105

Net Gain	2,123,706

Net Increase in Net Assets from Operations	14,563,911

LESS DISTRIBUTIONS DECLARED TO PREFERRED SHAREHOLDERS:	
From net investment income	(2,031,984)

Net Increase in Net Assets from Operations Applicable to Common Shares	\$ 12,531,927

See Accompanying Notes to Financial Statements. | 17

STATEMENT OF CHANGES IN NET ASSETS

INCREASE (DECREASE) IN NET ASSETS:

OPERATIONS:

Net investment income	\$ 12
Net realized gain (loss) on investments and futures contracts	1
Net change in unrealized appreciation (depreciation) on investments and futures contracts	-----
Net Increase from Operations	14

LESS DISTRIBUTIONS DECLARED TO PREFERRED SHAREHOLDERS:	
From net investment income	(2

Increase in Net Assets from Operations Applicable to Common Shares	12

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LESS DISTRIBUTIONS DECLARED TO COMMON SHAREHOLDERS:

From net investment income

(10)

SHARE TRANSACTIONS:

Distributions reinvested

Total Increase (Decrease) in Net Assets Applicable to Common Shares

2

NET ASSETS APPLICABLE TO COMMON SHARES:

Beginning of period

157

End of period (including undistributed net investment income
of \$173,993 and \$428,592, respectively)

\$ 159

NUMBER OF TRUST SHARES:

Common Shares:

Issued for distributions reinvested

Outstanding at:

Beginning of period

27

End of period

27

Preferred Shares:

Outstanding at end of period

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See Accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

November 30, 2005

NOTE 1. ORGANIZATION

Colonial Municipal Income Trust (the "Trust") is a Massachusetts business trust registered under the Investment Company Act of 1940 (the "Act"), as amended, as a non-diversified, closed-end management investment company.

INVESTMENT GOAL

The Trust seeks to provide high current income, generally exempt from federal income taxes, by investing primarily in medium and lower quality bonds and notes issued by or on behalf of state and local government units whose interest is exempt from ordinary federal income tax, other than the possible incidence of any alternative minimum tax. The Trust's secondary goal is to seek total return.

TRUST SHARES

The Trust may issue an unlimited number of common shares. On July 20, 1999, the Trust issued 3,600 Auction Preferred Shares ("APS").

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NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Trust in the preparation of its financial statements.

SECURITY VALUATION

Debt securities generally are valued by pricing services approved by the Trust's Board of Trustees, based upon market transactions for normal, institutional-size trading units of similar securities. The services may use various pricing techniques which take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics and other data, as well as broker quotes. Debt securities for which quotations are readily available are valued at an over-the-counter or exchange bid quotation. Certain debt securities, which tend to be more thinly traded and of lesser quality, are priced based on fundamental analysis of the financial condition of the issuer and the estimated value of any collateral. Valuations developed through pricing techniques may vary from the actual amounts realized upon sale of the securities, and the potential variation may be greater for those securities valued using fundamental analysis.

Short-term debt obligations maturing within 60 days are valued at amortized cost, which approximates market value.

Investments in open-end investment companies are valued at net asset value.

Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded.

Investments for which market quotations are not readily available, or have quotations which management believes are not appropriate, are valued at fair value as determined in good faith under consistently applied procedures established by and under the general supervision of the Board of Trustees. If a security is valued at a "fair value", such value is likely to be different from the last quoted market price for the security.

SECURITY TRANSACTIONS

Security transactions are accounted for on the trade date. Cost is determined and gains (losses) are based upon the specific identification method for both financial statement and federal income tax purposes.

FUTURES CONTRACTS

The Trust may invest in municipal and U.S. Treasury futures contracts. The Trust will invest in these instruments to hedge against the effects of changes in the value of portfolio securities due to anticipated changes in interest rates and/or market conditions, for duration management, or when the transactions are economically appropriate to the reduction of risk inherent in the management of the Trust and not for trading purposes. The use of futures contracts involves certain risks, which include: (1) imperfect correlation between the price movement of the instruments and the underlying securities, (2) inability to close out positions due to differing trading hours, or the temporary absence of

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a liquid market, for either the instrument or the underlying securities, or (3) an inaccurate prediction by Columbia Management Advisors, LLC of the future direction of interest rates. Any of these risks may involve amounts exceeding the variation margin recorded in the Trust's Statement of Assets and Liabilities at any given time.

Upon entering into a futures contract, the Trust deposits cash or securities with the broker in an amount sufficient to meet the initial margin requirement. Subsequent payments are made or received by the Trust equal to the daily change in the contract value and are recorded as variation margin receivable or payable and offset in unrealized gains or losses. The Trust also identifies portfolio securities as segregated with the custodian in a separate account in an amount equal to the futures contract. The Trust recognizes a realized gain or loss when the contract is closed or expires.

RESTRICTED SECURITIES

Restricted securities are securities that may only be resold upon registration under federal securities laws or in transactions exempt from registration. In some cases, the issuer of restricted securities has agreed to register such securities for resale at the issuer's expense either upon demand by the Trust or in

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

November 30, 2005

connection with another registered offering of the securities. Many restricted securities may be resold in the secondary market in transactions exempt from registration. Such restricted securities may be determined to be liquid under criteria established by the Board of Trustees. The Trust will not incur any registration costs upon such resale.

DELAYED DELIVERY SECURITIES

The Trust may trade securities on other than normal settlement terms, including securities purchased or sold on a "when-issued" basis. This may increase the risk if the other party to the transaction fails to deliver and causes the Trust to subsequently invest at less advantageous prices. The Trust identifies cash or liquid portfolio securities as segregated with the custodian in an amount equal to the delayed delivery commitment.

INCOME RECOGNITION

Interest income is recorded on the accrual basis. Premium and discount are amortized and accreted, respectively, on all debt securities. Corporate actions and dividend income are recorded on the ex-date.

FEDERAL INCOME TAX STATUS

The Trust intends to qualify each year as a "regulated investment company" under Subchapter M of the Internal Revenue Code, as amended, and will distribute substantially all of its taxable income, if any, for its tax year, and as such will not be subject to federal income taxes. In addition, the Trust intends to distribute in each calendar year substantially all of its net investment income,

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capital gains and certain other amounts, if any, such that the Trust should not be subject to federal excise tax. Therefore, no federal income or excise tax provision is recorded.

DISTRIBUTIONS TO SHAREHOLDERS

Distributions to common shareholders are recorded on the ex-date. Distributions to Auction Preferred shareholders are recorded daily and payable at the end of each dividend period. Each dividend payment period for the APS is generally seven days. The applicable dividend rate for the APS on November 30, 2005, was 3.00%. For the year ended November 30, 2005, the Trust declared dividends to Auction Preferred shareholders amounting to \$2,031,984, representing an average dividend rate of 2.27% per APS.

NOTE 3. FEDERAL TAX INFORMATION

The timing and character of income and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP. Reclassifications are made to the Trust's capital accounts for permanent tax differences to reflect income and gains available for distribution (or available capital loss carryforwards) under income tax regulations.

For the year ended November 30, 2005, permanent book and tax basis differences resulting primarily from differing treatments for expired capital loss carryforward, discount accretion/premium amortization on debt securities and market discount reclassifications were identified and reclassified among the components of the Trust's net assets as follows:

UNDISTRIBUTED NET INVESTMENT INCOME	ACCUMULATED NET REALIZED LOSS	PAID-IN CAPITAL
\$(38,999)	\$5,464,418	\$(5,425,419)

Net investment income and net realized gains (losses), as disclosed on the Statement of Operations, and net assets were not affected by this reclassification.

The tax character of distributions paid during the years ended November 30, 2005 and November 30, 2004 was as follows:

	NOVEMBER 30, 2005	NOVEMBER 30, 2004
Distributions paid from:		
Tax-Exempt Income	\$12,655,805	\$12,603,622
Ordinary Income	--	52,173
Long-Term Capital Gains	--	--

* For tax purposes short-term capital gains distributions, if any, are considered ordinary income distributions.

As of November 30, 2005, the components of distributable earnings on a tax basis were as follows:

UNDISTRIBUTED TAX-EXEMPT INCOME	UNDISTRIBUTED ORDINARY INCOME	UNDISTRIBUTED LONG-TERM CAPITAL GAINS	UNDISTRIBUTED NET UNREALIZED DEPRECIATION*
\$2,265,642	\$14,597	\$--	\$(304,077)

* The differences between book-basis and tax-basis net unrealized depreciation are primarily due to discount accretion/premium amortization

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on debt securities.

Unrealized appreciation and depreciation at November 30, 2005, based on cost of investments for federal income tax purposes, was:

Unrealized appreciation	\$ 12,579,237
Unrealized depreciation	(12,883,314)

Net unrealized depreciation	\$ (304,077)
	=====

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

November 30, 2005

The following capital loss carryforwards, determined as of November 30, 2005, may be available to reduce taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Internal Revenue Code:

YEAR OF EXPIRATION	CAPITAL LOSS CARRYFORWARD
-----	-----
2007	\$ 3,490,821
2008	13,036,764
2009	3,114,307
2010	7,684,792
2011	4,393,912
2012	4,060,511

	\$ 35,781,107
	=====

Capital loss carryforwards of \$1,771,364 were utilized and \$5,425,419 expired during the year ended November 30, 2005 for the Trust.

Expired capital loss carryforwards are recorded as a reduction of paid-in capital.

Under current tax rules, certain currency (and capital) losses realized after October 31 may be deferred and treated as occurring on the first day of the following fiscal year. As of November 30, 2005, post-October capital losses of \$49,069 attributed to security transactions were deferred to December 1, 2005.

NOTE 4. FEES AND COMPENSATION PAID TO AFFILIATES

INVESTMENT ADVISORY FEE

Columbia Management Advisors, LLC ("Columbia"), an indirect wholly owned subsidiary of Bank of America Corporation ("BOA"), is the investment advisor to the Trust and provides administrative and other services to the Trust. Prior to September 30, 2005, Columbia Management Advisors, Inc. was the investment advisor to the Trust under the same fee structure. On September 30, 2005, Columbia Management Advisors, Inc. merged into Banc of America Capital Management, LLC. At that time the investment advisor was then renamed Columbia Management Advisors, LLC. Columbia receives a monthly investment advisory fee at

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the annual rate of 0.65% of the Trust's average weekly net assets, including assets applicable to the APS.

PRICING AND BOOKKEEPING FEES

Columbia is responsible for providing pricing and bookkeeping services to the Trust under a pricing and bookkeeping agreement. Under a separate agreement (the "Outsourcing Agreement"), Columbia has delegated those functions to State Street Corporation ("State Street"). As a result, the total fees payable under the pricing and bookkeeping agreement are paid to State Street.

Under its pricing and bookkeeping agreement with the Trust, Columbia receives an annual fee of \$38,000 paid monthly plus an additional monthly fee based on the level of average weekly net assets for the month; provided that during any 12-month period, the aggregate fee shall not exceed \$140,000.

Prior to November 1, 2005, Columbia received from the Trust an annual fee of \$10,000 paid monthly, and in any month that the Trust's average weekly net assets exceeded \$50 million, an additional monthly fee, calculated by taking into account the fees payable to State Street under the Outsourcing Agreement.

The Trust also reimburses Columbia and State Street for out-of-pocket expenses and charges, including fees payable to third parties for pricing the Trust's portfolio securities and direct internal costs incurred by Columbia in connection with providing Trust accounting oversight and monitoring and certain other services. For the year ended November 30, 2005, the Trust's effective pricing and bookkeeping rate, inclusive of out-of-pocket expenses, was 0.055%.

CUSTODY CREDITS

The Trust has an agreement with its custodian bank under which custody fees may be reduced by balance credits. These credits are recorded as a reduction of total expenses on the Statement of Operations. The Trust could have invested a portion of the assets utilized in connection with the expense offset arrangement in an income-producing asset if it had not entered into such an agreement.

FEES PAID TO OFFICERS AND TRUSTEES

All officers of the Trust, with the exception of the Trust's Chief Compliance Officer, are employees of Columbia or its affiliates and receive no compensation from the Trust. The Board of Trustees has appointed a Chief Compliance Officer to the Trust in accordance with federal securities regulations. The Trust, along with other affiliated funds, pays its pro-rata share of the expenses associated with the Chief Compliance Officer. The Trust's expenses for the Chief Compliance Officer will not exceed \$15,000 per year.

The Trust's Trustees may participate in a deferred compensation plan which may be terminated at any time. Obligations of the plan will be paid solely out of the Trust's assets.

OTHER

Columbia provides certain services to the Trust related to Sarbanes-Oxley compliance. For the year ended November 30, 2005, the Trust paid \$1,658 to Columbia for such services. This amount is included in "Other expenses" on the Statement of Operations.

NOTE 5. PORTFOLIO INFORMATION

For the year ended November 30, 2005, the cost of purchases and proceeds from sales of securities, excluding short-term obligations, were \$44,592,306 and \$44,678,832, respectively.

 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

November 30, 2005

NOTE 6. PREFERRED SHARES

The Trust currently has outstanding 3,600 APS. The APS are redeemable at the option of the Trust on any dividend payment date at the redemption price of \$25,000 per share, plus an amount equal to any dividends accumulated on a daily basis unpaid through the redemption date (whether or not such dividends have been declared).

Under the Act, the Trust is required to maintain asset coverage of at least 200% with respect to the APS as of the last business day of each month in which any APS are outstanding. Additionally, the Trust is required to meet more stringent asset coverage requirements under the terms of the APS Agreement and in accordance with the guidelines prescribed by the APS' rating agencies. Should these requirements not be met, or should dividends accrued on the APS not be paid, the Trust may be restricted in its ability to declare dividends to common shareholders or may be required to redeem certain APS. At November 30, 2005, there were no such restrictions on the Trust.

NOTE 7. DISCLOSURE OF SIGNIFICANT RISKS AND CONTINGENCIES

CONCENTRATION OF CREDIT RISK

The Trust holds investments that are insured by private insurers who guarantee the payment of principal and interest in the event of default or that are supported by a letter of credit. Each of the Trust's insurers is rated Aaa by Moody's Investor Services, Inc. At November 30, 2005, private insurers who insure greater than 5% of the total investments of the Trust were as follows:

INSURER	% OF TOTAL INVESTMENTS (UNAUDITED)
MBIA Insurance Corp.	6.9%
Financial Security Assurance, Inc.	6.5
Ambac Assurance Corp.	6.1

GEOGRAPHIC CONCENTRATION

The Trust has greater than 5% of its total investments at November 30, 2005 invested in debt obligations issued by the states of California, Illinois, Massachusetts, New York, Pennsylvania and Texas and their respective political subdivisions, agencies and public authorities. The Trust is more susceptible to economic and political factors adversely affecting issuers of the specific state's municipal securities than are municipal bond funds that are not concentrated to the same extent in these issuers.

HIGH-YIELD SECURITIES

Investing in high-yield securities may involve greater credit risk and considerations not typically associated with investing in U.S. government bonds

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and other higher quality fixed income securities. These securities are non-investment grade securities, often referred to as "junk" bonds. Economic downturns may disrupt the high yield market and impair the ability of issuers to repay principal and interest. Also, an increase in interest rates would likely have an adverse impact on the value of such obligations. Moreover, high-yield securities may be less liquid to the extent that there is no established secondary market.

ISSUER FOCUS

As a non-diversified fund, the Trust may invest a greater percentage of its total assets in the securities of fewer issuers than a diversified fund. The Trust may, therefore, have a greater risk of loss from a few issuers than a similar fund that invests more broadly.

LEGAL PROCEEDINGS

On February 9, 2005, Columbia Management Advisors, Inc. (which has since merged into Banc of America Capital Management, LLC (now named Columbia Management Advisors, LLC)) ("Columbia") and Columbia Funds Distributor, Inc. (which has been renamed Columbia Management Distributors, Inc.) (the "Distributor") (collectively, the "Columbia Group") entered into an Assurance of Discontinuance with the New York Attorney General ("NYAG") (the "NYAG Settlement") and consented to the entry of a cease-and-desist order by the Securities and Exchange Commission ("SEC") (the "SEC Order"). The SEC Order and the NYAG Settlement are referred to collectively as the "Settlements". The Settlements contain substantially the same terms and conditions as outlined in the agreements in principle which Columbia Group entered into with the SEC and NYAG in March 2004.

Under the terms of the SEC Order, the Columbia Group has agreed among other things, to: pay \$70 million in disgorgement and \$70 million in civil money penalties; cease and desist from violations of the antifraud provisions and certain other provisions of the federal securities laws; maintain certain compliance and ethics oversight structures; retain an independent consultant to review the Columbia Group's applicable supervisory, compliance, control and other policies and procedures; and retain an independent distribution consultant (see below). The Columbia Funds have also voluntarily undertaken to implement certain governance measures designed to maintain the independence of their boards of trustees. The NYAG Settlement also, among other things, requires Columbia and its affiliates to reduce certain Columbia Funds (including the former Nations Funds) and other mutual funds management fees collectively by \$32 million per year for five years, for a projected total of \$160 million in management fee reductions.

Pursuant to the procedures set forth in the SEC order, the \$140 million in settlement amounts described above will be distributed in accordance with a distribution plan to be developed by an independent distribution consultant, who is

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

November 30, 2005

acceptable to the SEC staff and the Columbia Funds' independent trustees. The

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distribution plan must be based on a methodology developed in consultation with the Columbia Group and the funds' independent trustees and not unacceptable to the staff of the SEC. At this time, the distribution plan is still under development. As such, any gain to the funds or their shareholders cannot currently be determined.

As a result of these matters or any adverse publicity or other developments resulting from them, the market price of fund shares could decline.

A copy of the SEC Order is available on the SEC website at <http://www.sec.gov>. A copy of the NYAG Settlement is available as part of the Bank of America Corporation Form 8-K filing on February 10, 2005.

In connection with the events described in detail above, various parties have filed suit against certain funds, the Trustees of the Columbia Funds, FleetBoston Financial Corporation and its affiliated entities and/or Bank of America and its affiliated entities. More than 300 cases including those filed against entities unaffiliated with the funds, their Boards, FleetBoston Financial Corporation and its affiliated entities and/or Bank of America and its affiliated entities have been transferred to the Federal District Court in Maryland and consolidated in a multi-district proceeding (the "MDL").

The derivative cases purportedly brought on behalf of the Columbia Funds in the MDL have been consolidated under the lead case. The fund derivative plaintiffs allege that the funds were harmed by market timing and late trading activity and seek, among other things, the removal of the trustees of the Columbia Funds, removal of the Columbia Group, disgorgement of all management fees and monetary damages.

On March 21, 2005, purported class action plaintiffs filed suit in Massachusetts state court alleging that the conduct, including market timing, entitles Class B shareholders in certain Columbia Funds to an exemption from contingent deferred sales charges upon early redemption ("the CDSC Lawsuit"). The CDSC Lawsuit has been removed to federal court in Massachusetts and the federal Judicial Panel has transferred the CDSC Lawsuit to the MDL.

The MDL is ongoing. Accordingly, an estimate of the financial impact of this litigation on any fund, if any, cannot currently be made.

In 2004, certain Columbia Funds, the Trustees of the Columbia Funds, advisers and affiliated entities were named as defendants in certain purported shareholder class and derivative actions making claims, including claims under the Investment Company and the Investment Advisers Acts of 1940 and state law. The suits allege, inter alia, that the fees and expenses paid by the funds are excessive and that the advisers and their affiliates inappropriately used fund assets to distribute the funds and for other improper purposes. On March 2, 2005, the actions were consolidated in the Massachusetts federal court as IN RE COLUMBIA ENTITIES LITIGATION. The plaintiffs filed a consolidated amended complaint on June 9, 2005. On November 30, 2005, the judge dismissed all claims by plaintiffs and ordered that the case be closed. The plaintiffs filed a notice of appeal on December 30, 2005.

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FINANCIAL HIGHLIGHTS

Selected data for a share outstanding throughout each period is as follows

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(common shares unless otherwise noted):

	YEAR ENDED NOVEMBER 30,				
	2005	2004	2003	2002	2001
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 5.69	\$ 5.85	\$ 5.82	\$ 6.12	\$ 6.05
INCOME FROM INVESTMENT OPERATIONS:					
Net investment income	0.45 (a)	0.45 (a)	0.47 (a)	0.50 (a) (b)	0.53 (a)
Net realized and unrealized gain (loss) on investments and futures contracts	0.08	(0.15)	0.02	(0.33) (b)	0.03
Total from Investment Operations	0.53	0.30	0.49	0.17	0.56
LESS DISTRIBUTIONS DECLARED TO PREFERRED SHAREHOLDERS:					
From net investment income	(0.08)	(0.04)	(0.03)	(0.05)	(0.10)
Total from Investment Operations Applicable to Common Shareholders	0.45	0.26	0.46	0.12	0.46
LESS DISTRIBUTIONS DECLARED TO COMMON SHAREHOLDERS:					
From net investment income	(0.38)	(0.42)	(0.43)	(0.42)	(0.39)
In excess of net investment income	--	--	--	--	--
Total Distributions Declared to Common Shareholders	(0.38)	(0.42)	(0.43)	(0.42)	(0.39)
LESS SHARE TRANSACTIONS:					
Commission and offering costs -- preferred shares	--	--	--	--	--
NET ASSET VALUE, END OF PERIOD	\$ 5.76	\$ 5.69	\$ 5.85	\$ 5.82	\$ 6.12
Market price per share -- common shares	\$ 5.36	\$ 5.66	\$ 5.65	\$ 5.67	\$ 5.65
Total return -- based on market value -- common shares (e)	1.36%	7.86%	7.35%	7.87%	12.05%
RATIOS TO AVERAGE NET ASSETS/ SUPPLEMENTAL DATA:					
Expenses (f) (g)	1.40%	1.42%	1.39%	1.37%	1.45%
Net investment income before preferred stock dividend (f) (g)	7.73%	7.79%	8.17%	8.28% (b)	8.55%
Net investment income after preferred stock dividend (f) (g)	6.46%	7.15%	7.61%	7.47% (b)	6.94%
Portfolio turnover rate	18%	16%	15%	27%	12%
Net assets, end of period (000's) -- common shares	\$159,792	\$157,757	\$ 161,994	\$161,044	\$169,080

(a) Per share data was calculated using average shares outstanding during the

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period.

- (b) Effective December 1, 2001, the Trust adopted the provision of the AICPA Audit and Accounting Guide for Investment Companies and began accreting market discount on all debt securities. The effect of this change, for the year ended November 30, 2002, was to increase the ratio of net investment income to average net assets from 8.24% to 8.28% and increase the ratio of net investment income (adjusted for dividend payments to preferred shareholders) from 7.43% to 7.47%. The impact to net investment income and net realized and unrealized loss per share was less than \$0.01. Per share data and ratios for periods prior to November 30, 2002, have not been restated to reflect this change in presentation.
- (c) The per share net investment income amount does not reflect the period's reclassification of differences between book and tax basis net investment income.
- (d) Rounds to less than \$0.01 per share.
- (e) Total return at market value assuming all distributions reinvested at prices calculated in accordance with the Dividend Reinvestment Plan.
- (f) The benefits derived from custody credits had an impact of less than 0.01%.
- (g) Ratios reflect average net assets available to common shares only.

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 FINANCIAL HIGHLIGHTS (CONTINUED)

Selected data for a share outstanding throughout each period is as follows (common shares unless otherwise noted):

	YEAR ENDED NOVEMBER 30,		
	1998	1997	1996
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 7.41	\$ 7.41	7.
INCOME FROM INVESTMENT OPERATIONS:			
Net investment income	0.47	0.51	0.
Net realized and unrealized gain (loss) on investments and futures contracts	0.18	-- (a)	(0.
Total Income from Investment Operations	0.65	0.51	0.
LESS DISTRIBUTIONS DECLARED TO COMMON SHAREHOLDERS:			
From net investment income	(0.48)	(0.51)	(0.
In excess of net investment income	(0.01)	--	
Total Distributions Declared to Common Shareholders	(0.49)	(0.51)	(0.

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NET ASSET VALUE, END OF PERIOD	\$ 7.57	\$ 7.41	\$ 7.
	=====	=====	=====
Market price per share -- common shares	\$ 8.13	\$ 7.56	\$ 7.
	=====	=====	=====
Total return -- based on market value -- common shares (b)	14.57%	11.67%	15.
	=====	=====	=====
RATIOS TO AVERAGE NET ASSETS/ SUPPLEMENTAL DATA:			
Expenses (c)	0.82%	0.86%	0.
Net investment income (c)	6.20%	6.83%	6.
Portfolio turnover rate	34%	15%	
Net assets, end of period (000's) -- common shares	\$ 208,931	\$ 203,533	\$ 202,7

- (a) Rounds to less than \$0.01 per share.
- (b) Total return at market value assuming all distributions reinvested at prices calculated in accordance with the Dividend Reinvestment Plan.
- (c) The benefits derived from custody credits had an impact of less than 0.01%.

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ASSET COVERAGE REQUIREMENTS

	TOTAL AMOUNT OUTSTANDING	ASSET COVERAGE PER SHARE*	INVOLUNTARY LIQUIDATING PREFERENCE PER SHARE	AVERAGE MARKET VALUE PER SHARE
11/30/05	\$90,000,000	\$69,387	\$25,010	\$25,000
11/30/04	90,000,000	68,821	25,004	25,000
11/30/03	90,000,000	69,998	25,006	25,000
11/30/02	90,000,000	69,734	25,001	25,000
11/30/01	90,000,000	71,967	25,007	25,000
11/30/00	90,000,000	71,462	25,011	25,000
11/30/99**	90,000,000	50,023	25,006	25,000

* Calculated by subtracting the Trust's total liabilities from the Trust's total assets and dividing the amount by the number of APS outstanding.

** On July 20, 1999, the Trust began offering Auction Preferred Shares.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE TRUSTEES AND THE SHAREHOLDERS OF COLONIAL MUNICIPAL INCOME TRUST

In our opinion, the accompanying statement of assets and liabilities, including the investment portfolio, and the related statements of operations and of

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changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Colonial Municipal Income Trust (the "Trust") at November 30, 2005, and the results of its operations, the changes in its net assets, and its financial highlights for the periods indicated, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Trust's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at November 30, 2005 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Boston, Massachusetts
January 24, 2006

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UNAUDITED INFORMATION

FEDERAL INCOME TAX INFORMATION

100.00% of distributions from net investment income will be treated as exempt income for federal income tax purposes.

For the calendar year ended December 31, 2005, 15.77% of distributions from net investment income is subject to the alternative minimum tax.

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DIVIDEND REINVESTMENT PLAN

COLONIAL MUNICIPAL INCOME TRUST

Shareholders may elect to have all distributions of dividends and capital gains automatically reinvested by Computershare (the "Plan Agent"), as agent under the Trust's Dividend Reinvestment and Cash Purchase Plan (the "Plan"). Pursuant to the Plan, the provisions of which are described below, shareholders not making such an election will receive all such amounts in cash paid by check mailed directly to the shareholder by the Plan Agent, as the dividend paying agent.

If the Trustees of the Trust declare a dividend or determine to make a capital gain distribution payable either in shares of the Trust or in cash, as shareholders may have elected, non-participants in the Plan will receive cash

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and participants in the Plan will receive the equivalent in shares of the Trust. If the market price of the shares on the payment date for the dividend or distribution is equal to or exceeds their net asset value, participants will be issued shares of the Trust at the higher of net asset value or 95% of the market price. If the net asset value exceeds the market price of Trust shares at such time, or if the Trust declares a dividend or other distribution payable only in cash, the Plan Agent will, as agent for Plan participants, buy Trust shares in the open market, on the New York Stock Exchange or elsewhere, for the participants' accounts. If, before the Plan Agent has completed its purchases, the market price exceeds the net asset value of the Trust's shares, the average per share purchase price paid by the Plan Agent may exceed the net asset value of the Trust's shares, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Trust.

Participants in the Plan may withdraw from the Plan upon written notice to the Plan Agent. When a participant withdraws from the Plan or upon termination of the Plan as provided below, certificates for whole shares credited to the participant's account under the Plan will be issued and a cash payment will be made for any fraction of a share credited to such account.

Participants in the Plan have the option of making additional cash payments to the Plan Agent semi-annually, for investment in the Trust's shares. Such payments may be made in any amount from \$100 to \$500. State Street will use all funds received from participants (as well as any dividends and distributions received in cash) to purchase Trust shares in the open market semiannually. Interest will not be paid on any uninvested cash payments.

In the case of shareholders such as banks, brokers or nominees holding shares for others who are the beneficial owners of those shares, the Plan Agent will administer the Plan on the basis of the number of shares certified from time to time by the shareholder of record as representing the total amount registered in such shareholder's name and held for the account of beneficial owners who are to participate in the Plan.

There is no charge to Plan participants for reinvesting dividends or distributions. The Plan Agent's fees for the handling of the reinvestment of dividends and distributions will be paid by the Trust. There will be no brokerage charges with respect to shares issued directly by the Trust as a result of dividends or distributions payable either in stock or in cash. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of dividends or distributions as well as from voluntary cash payments. Brokerage charges for purchasing small amounts of stock for individual accounts under the voluntary cash purchase provisions of the Plan are expected to be less than the usual brokerage charges for individual transactions of comparable size, because the Plan Agent will be purchasing shares for all participants in blocks and charging to cash purchase Plan participants a pro rated portion of the lower commissions usually obtainable on such block purchases.

The automatic reinvestment of dividends and distributions will not relieve participants of any income tax that may be payable on such dividends or distributions.

The Plan may be amended or terminated on 30 days written notice to the Plan participants. All correspondence concerning the Plan should be directed to Computershare by mail at P.O. Box 403011, Providence, RI 02940-3011, or by phone at 1-800-426-5523.

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TRUSTEES AND OFFICERS

The Trustees/Directors serve terms of indefinite duration. The names, addresses and ages of the Trustees/Directors and officers of the Funds in the Columbia Funds Complex, the year each was first elected or appointed to office, their principal business occupations during at least the last five years, the number of portfolios overseen by each Trustee/Director and other directorships they hold are shown below. Each officer listed below serves as an officer of each Fund in the Columbia Funds Complex.

NAME, ADDRESS AND AGE, POSITION WITH FUNDS, YEAR FIRST ELECTED OR APPOINTED TO OFFICE (1)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS, NUMBER OF COMPLEX OVERSEEN BY TRUSTEE/DIRECTOR, OTHER
<hr/>	
DISINTERESTED TRUSTEES	
DOUGLAS A. HACKER (Age 50) c/o Columbia Management Advisors, LLC One Financial Center Boston, MA 02111 Trustee (since 1996)	Executive Vice President-Strategy of United Airlines (airline) President of UAL Loyalty Services (airline) from September, 2001; Vice President and Chief Financial Officer of United Airlines 2001; Senior Vice President-Finance from March, 1993 to July, 2001; Company (food distributor)
JANET LANGFORD KELLY (Age 48) c/o Columbia Management Advisors, LLC One Financial Center Boston, MA 02111 Trustee (since 1996)	Partner, Zelle, Hofmann, Voelbel, Mason & Gette LLP (law firm) Professor of Law, Northwestern University, since September, 2003; Officer and Senior Vice President, Kmart Holding Corporation 2003 to March, 2004; Executive Vice President-Corporate Development Counsel and Secretary, Kellogg Company (food manufacturer), from 2003; Senior Vice President, Secretary and General Counsel, S packaged, consumer-products manufacturer) from January, 1995 None
RICHARD W. LOWRY (Age 69) c/o Columbia Management Advisors, LLC One Financial Center Boston, MA 02111 Trustee (since 1995)	Private Investor since August, 1987 (formerly Chairman and Chief Plywood Corporation (building products manufacturer)). Oversees
CHARLES R. NELSON (Age 62) c/o Columbia Management Advisors, LLC One Financial Center Boston, MA 02111 Trustee (since 1981)	Professor of Economics, University of Washington, since January, 1988; Voorhis Professor of Political Economy, University of Washington (formerly Director, Institute for Economic Research, University of 2001 to June, 2003); Adjunct Professor of Statistics, University of September, 1980; Associate Editor, Journal of Money Credit and consultant on econometric and statistical matters. Oversees 8
JOHN J. NEUHAUSER (Age 63) c/o Columbia Management Advisors, LLC One Financial Center Boston, MA 02111 Trustee (since 1985)	Academic Vice President and Dean of Faculties since August, 1985; Dean, Boston College School of Management from September, 1979 89 (3), Saucony, Inc. (athletic footwear)

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 TRUSTEES AND OFFICERS (CONTINUED)

NAME, ADDRESS AND AGE, POSITION WITH FUNDS, YEAR FIRST ELECTED OR APPOINTED TO OFFICE (1)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS, NUMBER OF COMPLEX OVERSEEN BY TRUSTEE/DIRECTOR, OTHER

DISINTERESTED TRUSTEES (continued)	
PATRICK J. SIMPSON (Age 61) c/o Columbia Management Advisors, LLC One Financial Center Boston, MA 02111 Trustee (since 2000)	Partner, Perkins Coie LLP (law firm). Oversees 83, None
THOMAS E. STITZEL (Age 69) c/o Columbia Management Advisors, LLC One Financial Center Boston, MA 02111 Trustee (since 1998)	Business Consultant since 1999 (formerly Professor of Finance Business, Boise State University); Chartered Financial Analyst
THOMAS C. THEOBALD (Age 68) c/o Columbia Management Advisors, LLC One Financial Center Boston, MA 02111 Trustee and Chairman of the Board (4) (since 1996)	Partner and Senior Advisor, Chicago Growth Partners (private 2004 (formerly Managing Director, William Blair Capital Partners from September, 1994 to September, 2004). Oversees 83, Anixter equipment distributor); Ventas, Inc. (real estate investment estate management services) and Ambac Financial Group (financial
ANNE-LEE VERVILLE (Age 60) c/o Columbia Management Advisors, LLC One Financial Center Boston, MA 02111 Trustee (since 1998)	Retired since 1997 (formerly General Manager, Global Education (computer and technology) from 1994 to 1997). Oversees 83, Ch Enesco Group, Inc. (designer, importer and distributor of gifts)
RICHARD L. WOOLWORTH (Age 64) c/o Columbia Management Advisors, LLC One Financial Center Boston, MA 02111 Trustee (since 1991)	Retired since December, 2003 (formerly Chairman and Chief Executive (regional health insurer); Chairman and Chief Executive Officer Oregon; Certified Public Accountant, Arthur Young & Company). Gas Co. (natural gas service provider)
INTERESTED TRUSTEE	
WILLIAM E. MAYER (2) (Age 65) c/o Columbia Management Advisors, LLC One Financial Center Boston, MA 02111 Trustee (since 1994)	Partner, Park Avenue Equity Partners (private equity) since February Development Capital LLC from November 1996, to February, 1999 (print media), WR Hambrecht + Co. (financial service provider) OPENFIELD Solutions (retail industry technology provider)

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- (1) In December 2000, the boards of each of the former Liberty Funds and former Stein Roe Funds were combined into one board of trustees responsible for the oversight of both fund groups (collectively, the "Liberty Board"). In October 2003, the trustees on the Liberty Board were elected to the boards of the Columbia Funds (the "Columbia Board") and of the CMG Fund Trust (the "CMG Funds Board"); simultaneous with that election, Patrick J. Simpson and Richard L. Woolworth, who had been directors on the Columbia Board and trustees on the CMG Funds Board, were appointed to serve as trustees of the Liberty Board. The date shown is the earliest date on which a trustee/director was elected or appointed to the board of a Fund in the Columbia Funds Complex.
- (2) Mr. Mayer is an "interested person" (as defined in the Investment Company Act of 1940 (1940 Act)) by reason of his affiliation with WR Hambrecht + Co.
- (3) Messrs. Lowry, Neuhauser and Mayer also serve as directors/trustees of the Liberty All-Star Funds, currently consisting of 2 funds, which are advised by an affiliate of the Advisor.
- (4) Mr. Theobald was appointed as Chairman of the Board effective December 10, 2003.

The Statement of Additional Information includes additional information about the Trustees of the Funds and is available, without charge, upon request by calling 800-426-3750.

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 TRUSTEES AND OFFICERS (CONTINUED)

NAME, ADDRESS AND AGE, POSITION WITH COLUMBIA FUNDS, YEAR FIRST ELECTED OR APPOINTED TO OFFICE	PRINCIPAL OCCUPATION(S) DURING PAST

OFFICERS	
CHRISTOPHER L. WILSON (Age 48) One Financial Center Boston, MA 02111 President (since 2004)	Head of Mutual Funds since August, 2004 and Managing Director 2005; President of the Columbia Funds, Liberty Funds and Stein Roe Funds since August, 2004; President and Chief Executive Officer of the Nations Funds since August, 2004; President of the Galaxy Funds since April, 2005; Director of Bank of America Capital Management since May, 2005; Director of Banc of America Capital Management since May, 2005; Director of FIM Funding, Inc. since January, 2005; Senior Vice President of FIM Management Distributors, Inc. since January, 2005; Director of FIM Management Distributors, Inc. since January, 2005 (formerly Senior Vice President of Columbia Funds since 2005 to August, 2005; Senior Vice President of BACAP Distributors since July, 2005; President and Chief Executive Officer, CDC IXIS America since July, 2005; President and Chief Executive Officer, CDC IXIS America from September, 1998 to August, 2004).
J. KEVIN CONNAUGHTON (Age 41)	Treasurer of the Columbia Funds since October, 2003 and of the Liberty Funds since August, 2004.

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One Financial Center
Boston, MA 02111
Treasurer (since 2000)

and All-Star Funds since December, 2000; Managing Director of (formerly Vice President of Columbia Management from April, 2 the Columbia Funds, Liberty Funds and Stein Roe Funds from Fe Chief Accounting Officer and Controller of the Liberty Funds 1998 to October, 2000); Treasurer of the Galaxy Funds from Se (formerly Treasurer from December, 2002 to December, 2004 and December, 2004 of the Columbia Management Multi-Strategy Hedge Colonial Management Associates, Inc. from February, 1998 to O

MARY JOAN HOENE (Age 56)
100 Federal Street
Boston, MA 02110
Senior Vice President and Chief Compliance Officer (since 2004)

Senior Vice President and Chief Compliance Officer of the Col Roe Funds and All-Star Funds since August, 2004; Chief Compli Management Multi-Strategy Hedge Fund, LLC since August 2004; BACAP Alternative Multi-Strategy Hedge Fund LLC since October Ledyard & Milburn LLP from January, 2001 to August, 2004; Cou LLP from November, 1999 to December, 2000; Vice President and Society of the United States from April, 1998 to November, 19

MICHAEL G. CLARKE (Age 36)
One Financial Center
Boston, MA 02111
Chief Accounting Officer (since 2004)

Chief Accounting Officer of the Columbia Funds, Liberty Funds Funds since October, 2004; Managing Director of the Advisor s Controller of the Columbia Funds, Liberty Funds, Stein Roe Fu 2004 to October, 2004; Assistant Treasurer from June, 2002 to Product Strategy & Development of the Liberty Funds and Stein June, 2002; Assistant Treasurer of the Liberty Funds, Stein R from August, 1999 to February, 2001; Audit Manager, Deloitte August, 1999).

JEFFREY R. COLEMAN (Age 36)
One Financial Center
Boston, MA 02111
Controller (since 2004)

Controller of the Columbia Funds, Liberty Funds, Stein Roe Fu October, 2004 (formerly Vice President of CDC IXIS Asset Mana Treasurer of the CDC Nvest Funds and Loomis Sayles Funds from 2004; Assistant Vice President of CDC IXIS Asset Management S Treasurer of the CDC Nvest Funds from August, 2000 to Februar from November, 1996 to August, 2000).

R. SCOTT HENDERSON (Age 46)
One Financial Center
Boston, MA 02111
Secretary (since 2004)

Secretary of the Columbia Funds, Liberty Funds and Stein Roe (formerly Of Counsel, Bingham McCutchen from April, 2001 to S and General Counsel, Massachusetts Pension Reserves Investmen 1997 to March, 2001).

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BOARD CONSIDERATION AND APPROVAL OF INVESTMENT ADVISORY AGREEMENTS

The Advisory Fees and Expenses Committee of the Board of Trustees meets one or more times annually, usually in late summer, to review the advisory agreements (collectively, the "Agreements") of the funds for which the Trustees serve as trustees or directors (each a "fund") and determine whether to recommend that the full Board approve the continuation of the Agreements for an additional one-year period. After the Committee has made its recommendation, the full Board, including the Independent Trustees, determines whether to approve the continuation of the Agreements. In addition, the Board, including the Independent Trustees, considers matters bearing on the Agreements at most of its other meetings throughout the year and meets regularly with the heads of each investment area within Columbia. The Trustees also meet with selected fund portfolio managers at various times throughout the year. The Trustees receive and review all materials that they, their legal counsel or Columbia, the funds'

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investment adviser, believe to be reasonably necessary for the Trustees to evaluate the Agreements and determine whether to approve the continuation of the Agreements. Those materials generally include, among other items, (i) information on the investment performance of each fund relative to the performance of peer groups of mutual funds and the fund's performance benchmarks, (ii) information on each fund's advisory fees and other expenses, including information comparing the fund's expenses to those of peer groups of mutual funds and information about any applicable expense caps and fee "breakpoints," (iii) sales and redemption data, (iv) information about the profitability of the Agreements to Columbia, and potential "fall-out" or ancillary benefits that Columbia and its affiliates may receive as a result of their relationships with the funds and (v) information obtained through Columbia's response to a questionnaire prepared at the request of the Trustees by counsel to the funds and independent legal counsel to the Independent Trustees. The Trustees also consider other information such as (vi) Columbia's financial results and financial condition, (vii) each fund's investment objective and strategies and the size, education and experience of Columbia's investment staffs and their use of technology, external research and trading cost measurement tools, (viii) the allocation of the funds' brokerage, if any, including allocations to brokers affiliated with Columbia and the use of "soft" commission dollars to pay fund expenses and to pay for research products and services, (ix) Columbia's resources devoted to, and its record of compliance with, the funds' investment policies and restrictions, policies on personal securities transactions and other compliance policies, (x) Columbia's response to various legal and regulatory proceedings since 2003 and (xi) the economic outlook generally and for the mutual fund industry in particular. In addition, the Trustees confer with their independent fee consultant and review materials relating to the Agreements that the independent fee consultant provides. Throughout the process, the Trustees have the opportunity to ask questions of and request additional materials from Columbia and to consult independent legal counsel to the Independent Trustees.

The Board of Trustees most recently approved the continuation of the Agreements at its October, 2005 meeting, following meetings of the Advisory Fees and Expenses Committee held in August, September, and October, 2005. In considering whether to approve the continuation of the Agreements, the Trustees, including the Independent Trustees, did not identify any single factor as determinative, and each weighed various factors as he or she deemed appropriate. The Trustees considered the following matters in connection with their approval of the continuation of the Agreements: THE NATURE, EXTENT AND QUALITY OF THE SERVICES PROVIDED TO THE FUNDS UNDER THE AGREEMENTS. The Trustees considered the nature, extent and quality of the services provided by Columbia and its affiliates to the funds and the resources dedicated to the funds by Columbia and its affiliates. Among other things, the Trustees considered (i) Columbia's ability, including its resources, compensation programs for personnel involved in fund management, reputation and other attributes, to attract and retain highly qualified research, advisory and supervisory investment professionals; (ii) the portfolio management services provided by those investment professionals; and (iii) the trade execution services provided on behalf of the funds. For each fund, the Trustees also considered the benefits to shareholders of investing in a mutual fund that is part of a family of funds offering exposure to a variety of asset classes and investment disciplines and providing for a variety of fund and shareholder services. After reviewing those and related factors, the Trustees concluded, within the context of their overall conclusions regarding each of the Agreements, that the nature, extent and quality of services provided supported the continuation of the Agreements. Investment performance of the funds and Columbia. The Trustees reviewed information about the performance of each fund over various time periods, including information prepared by an independent third party that compared the performance of each fund to the performance of peer groups of mutual funds and performance benchmarks. The Trustees also reviewed a description of the third party's methodology for identifying each fund's peer group for purposes of performance and expense

comparisons. The Trustees also considered additional information that the

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BOARD CONSIDERATION AND APPROVAL OF INVESTMENT ADVISORY AGREEMENTS (CONTINUED)

Advisory Fees and Expenses Committee requested from Columbia relating to funds that presented relatively weaker performance and/or relatively higher expenses. In the case of each fund that had performance that lagged that of a relevant peer group for certain (although not necessarily all) periods, the Trustees concluded that other factors relevant to performance were sufficient, in light of other considerations, to warrant continuation of the fund's Agreements. Those factors varied from fund to fund, but included one or more of the following: (i) that the fund's performance, although lagging in certain recent periods, was stronger over the longer term; (ii) that the underperformance was attributable, to a significant extent, to investment decisions that were reasonable and consistent with the fund's investment strategy and policies and that the fund was performing as expected, given market conditions and the fund's investment strategy; (iii) that the fund's performance was competitive when compared to other relevant performance benchmarks or peer groups; (iv) that Columbia had taken or was taking steps designed to help improve the fund's investment performance, including, but not limited to, replacing portfolio managers or modifying investment strategies; (v) that the fund's advisory fee had recently been, or was proposed to be, reduced, with the goal of helping the fund's net return to shareholders become more competitive; and (vi) that other fund expenses, such as transfer agency or fund accounting fees, have recently been reduced, with the goal of helping the fund's net return to shareholders become more competitive. The Trustees also considered Columbia's performance and reputation generally, the funds' performance as a fund family generally, and Columbia's historical responsiveness to Trustee concerns about performance and Columbia's willingness to take steps intended to improve performance. After reviewing those and related factors, the Trustees concluded, within the context of their overall conclusions regarding each of the Agreements, that the performance of each fund and Columbia was sufficient, in light of other considerations, to warrant the continuation of the Agreements.

THE COSTS OF THE SERVICES PROVIDED AND PROFITS REALIZED BY COLUMBIA AND ITS AFFILIATES FROM THEIR RELATIONSHIPS WITH THE FUNDS. The Trustees considered THE fees charged to the funds for advisory services as well as the total expense levels of the funds. That information included comparisons (provided both by management and by an independent third party) of the funds' advisory fees and total expense levels to those of their peer groups and information about the advisory fees charged by Columbia to comparable accounts. In considering the fees charged to comparable accounts, the Trustees took into account, among other things, management's representations about the differences between managing mutual funds as compared to other types of accounts, including the additional resources required to effectively manage mutual funds and distribute mutual fund shares. In evaluating each fund's advisory fees, the Trustees also took into account the demands, complexity and quality of the investment management of the fund. The Trustees considered reductions in advisory fee rates, implementation of advisory fee breakpoints, institution of advisory fee waivers, and changes to expense caps, which benefited a number of the funds. Furthermore, the Trustees considered the projected impact on expenses resulting from the overall cost reductions that management anticipated would result from the shift to a common group of service providers for transfer agency, fund accounting and custody services for mutual funds advised by Bank of America affiliates. The Trustees also noted management's stated justification for the fees charged to the funds,

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which included information about the performance of the funds, the services provided to the funds and management's view as to why it was appropriate that some funds bear advisory fees or total expenses greater than their peer group medians. The Trustees also considered the compensation directly or indirectly received by Columbia and its affiliates from their relationships with the funds. The Trustees reviewed information provided by management as to the profitability to Columbia and its affiliates of their relationships with the funds, and information about the allocation of expenses used to calculate profitability. When reviewing profitability, the Trustees also considered court cases in which adviser profitability was an issue in whole or in part, the performance of the relevant funds, the expense levels of the funds, and whether Columbia had implemented breakpoints and/or expense caps with respect to the funds.

After reviewing those and related factors, the Trustees concluded, within the context of their overall conclusions regarding each of the Agreements, that the advisory fees charged to each of the funds were fair and reasonable, and that the costs of the advisory services generally, and the related profitability to Columbia and its affiliates of their relationships with the funds, supported the continuation of the Agreements.

ECONOMIES OF SCALE. The Trustees considered the existence of any economies of scale in the provision of services by Columbia to each fund and whether those economies were shared with the fund through breakpoints in the investment advisory fees or other means, such as expense waivers. The Trustees noted that many of the funds benefited from breakpoints, expense caps, or both. In

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BOARD CONSIDERATION AND APPROVAL OF INVESTMENT ADVISORY AGREEMENTS (CONTINUED)

considering those issues, the Trustees also took note of the costs of the services provided (both on an absolute and a relative basis) and the profitability to Columbia and its affiliates of their relationships with the funds, as discussed above. After reviewing those and related factors, the Trustees concluded, within the context of their overall conclusions regarding each of the Agreements, that the extent to which economies of scale were shared with the funds supported the continuation of the Agreements.

OTHER FACTORS. The Trustees also considered other factors, which included but were not limited to the following:

- o the extent to which each fund had operated in accordance with its investment objective and its record of compliance with its investment restrictions, and the compliance programs of the funds and Columbia. They also considered the compliance-related resources that Columbia and its affiliates were providing to the funds.
- o the nature, quality, cost and extent of administrative and shareholder services performed by Columbia and its affiliates, both under the Agreements and under separate agreements for the provision of transfer agency and administrative services.
- o so-called "fall-out benefits" to Columbia, such as the engagement of its affiliates to provide distribution, brokerage and transfer agency services to the funds, and the benefits of research made available to Columbia by reason of brokerage commissions generated by the funds' securities transactions, as well as possible conflicts of interest associated with

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those fall-out and other benefits, and the reporting, disclosure and other processes in place to disclose and monitor those possible conflicts of interest.

- o the draft report provided by the independent fee consultant, which included information about and analysis of the funds' fees, expenses and performance.

Based on their evaluation of all factors that they deemed to be material, including those factors described above, and assisted by the advice of independent counsel and the independent fee consultant, the Trustees, including the Independent Trustees, approved the continuance of each of the Agreements through November 30, 2006.

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SUMMARY OF MANAGEMENT FEE EVALUATION BY INDEPENDENT FEE CONSULTANT

PREPARED PURSUANT TO THE FEBRUARY 9, 2005
ASSURANCE OF DISCONTINUANCE
BETWEEN THE OFFICE OF
ATTORNEY GENERAL OF NEW YORK STATE AND
COLUMBIA MANAGEMENT ADVISORS, INC. AND
COLUMBIA FUNDS DISTRIBUTOR, INC.

OCTOBER 11, 2005

I. OVERVIEW

Columbia Management Advisors, Inc. ("CMA") and Columbia Funds Distributors, Inc. ("CFD") (CFD together with CMA referred to herein as Columbia Management Group or "CMG1"), entered into an agreement with the New York Attorney General's Office in the form of an Assurance of Discontinuance (the "AOD"). The AOD stipulated that CMA would be permitted to manage or advise the Columbia Funds only if the Independent Members (as such term is defined in the AOD) of the Columbia Funds' Board of Trustees/Directors (collectively the "Trustees") appointed a Senior Officer or an Independent Fee Consultant ("IFC") who, among other things, is to manage the process by which management fees are negotiated. On May 15, 2005, the Independent Members of the Board appointed me as the IFC for the Columbia Funds. This report is the annual written evaluation of the Columbia Funds for 2005 that I have prepared in my capacity as IFC, as required by the AOD.

A. DUTIES OF THE INDEPENDENT FEE CONSULTANT

As part of the AOD, the Independent Members of the Columbia Funds' Board of Trustees/Directors agreed to retain an independent fee consultant who was to participate in the management fee negotiation process. The IFC is charged with "... duties and responsibilities [that] include managing the process by which proposed management fees (including, but not limited to, advisory fees) to be charged the Columbia Fund[s] are negotiated so that they are negotiated in a manner which is at arms length and reasonable and consistent with this Assurance of Discontinuance." However, the IFC does not replace the Trustees in their role of negotiating management and other fees with CMG and its affiliates. In particular, the AOD states that "Columbia Advisors may manage or advise a Columbia Fund only if the reasonableness of the proposed management fees is determined by the Board of Trustees of the Columbia Fund using ... an annual

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independent written evaluation prepared by or under the direction of the ... Independent Fee Consultant...." This report, pursuant to the AOD, constitutes the "annual independent written evaluation prepared by or under the direction of the... Independent Fee Consultant."

The AOD requires the IFC report to consider at least the following:

- a) Management fees (including any components thereof) charged by other mutual fund companies for like services;
- b) Management fees (including any components thereof) charged to institutional and other clients of CMA for like services;
- c) Costs to CMA and its affiliates of supplying services pursuant to the management fee agreements, excluding any intra-corporate profit;
- d) Profit margins of CMA and its affiliates from supplying such services;
- e) Possible economies of scale as the CMA fund grows larger; and
- f) The nature and quality of CMA services, including Columbia Funds' performance.

This report is designed to assist the Board in evaluating the 2005 contract renewal for Columbia Funds. In addition, this report points out areas where the Board may deem additional information and analysis to be appropriate over time.

B. SOURCES OF INFORMATION USED IN MY EVALUATION

I have requested data from CMG and various third party industry data sources or independent research companies that work in the mutual fund arena. The following list generally describes the types of information I requested.

1. I collected data on performance, management fees, and expense ratios of both Columbia Funds and comparable non-Columbia Funds. The sources of this information were CMG, Lipper Inc. ("Lipper") and Morningstar Inc. ("Morningstar"). While Lipper and Morningstar each selected a different group of peer funds it deemed appropriate against which to measure the relative performance and fees of Columbia Funds, I conducted an independent review of the appropriateness of each peer group.
2. I reviewed data on CMG's expense and profitability that I obtained from CMA directly.
3. I have reviewed data on the organizational structure of CMG in general.
4. I collected information on profitability from Strategic Insight Mutual Fund Research and Consulting, LLC ("Strategic Insight"). I used this third-party independent research as an additional method to gauge the accuracy of the data collected in (2) above.

1. Prior to the date of this report, CMA merged into an affiliated entity, Banc of America Capital Management, LLC ("BACAP"), and BACAP then changed its name to Columbia Management Advisors, LLC which carries on the business of CMA, and CFD changed its name to Columbia Management Distributors, Inc.

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5. I conducted interviews with various CMG staff, including members of the senior management team, legal staff, heads of affiliates, portfolio managers, and financial personnel.

6. I reviewed current 2005 Section 15(c) material provided to the Board and material presented to the Board in the 2004 fee and performance evaluation.

7. I have reviewed various academic research papers, industry publications, and other available literature dealing with mutual fund operations, profitability, and other issues. In addition, I have reviewed SEC releases and studies of mutual fund expenses.

8. I have reviewed documents pertaining to recent mutual fund litigation in general and publicly available information about litigation where CMG has been involved.

In addition, I have engaged NERA Economic Consulting ("NERA") and independent consultant Dr. John Rea to assist me in data management and analysis. Both NERA and Dr. Rea have extensive experience in the mutual fund industry through consulting, government positions, or industry trade groups that provide unique insights and special knowledge pertaining to my independent analysis of fees, performance, and profitability. I have also retained Shearman & Sterling LLP as outside counsel to advise me in connection with my review.

C. QUALIFICATIONS AND INDEPENDENCE

I am the Walter H. Carpenter Chair and Professor of Finance at Babson College. Before this I was the Chief Economist of the U.S. Securities and Exchange Commission. I have no material relationship with Bank of America or CMG aside from acting as IFC, and am aware of no relationship with any of their affiliates. [Resume omitted]

II. EVALUATION OF THE GENERAL PROCESS USED TO NEGOTIATE THE ADVISORY CONTRACT

A. GENERAL CONSIDERATIONS

My analysis considered all factors and information I reviewed on the finances and operations of Columbia Funds. I gave each factor an appropriate weight in my overall findings, and no single factor was in itself the sole criterion for a finding or conclusion. My objective was to assess all of the information provided and conduct a robust evaluation of Columbia Funds' operations, fees, and performance.

My analysis and thought processes will and, I believe, should, differ in certain ways from the processes used by Trustees in their evaluation of the management agreements. In particular, because of my technical and quantitative background, I may use techniques and data that Trustees have not previously felt would be useful. I view this supplemental analysis as appropriate because my role is to assist Trustees in their decisions, and to the extent that I bring new ideas or analysis to the evaluation, I believe this improves the process by which management fees for the Columbia Funds may be negotiated in accordance with the AOD.

Finally, as part of my role as IFC, I have, from time to time, sent to Trustees additional papers and reports produced by third parties that I felt had bearing on the fee negotiation process. I viewed these materials as educational in nature and felt they would aid Trustees in placing their work in context.

B. CMG MANAGEMENT INTERVIEWS

As a starting point of my analysis, I have met with members of CMG staff to gain an understanding of the organizational structure and personnel involved in

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running the Columbia fund family.

I have had general discussions and have received information about the management structure of CMG. My conversations with management have been informative. In addition, I have participated in Board meetings where Trustees and management have discussed issues relating to management agreements and performance of Columbia Funds. When I felt it was appropriate, I added my opinions on particular matters, such as fund performance or fee levels, to the discussion.

C. TRUSTEES' FEE AND PERFORMANCE EVALUATION PROCESS

After making initial requests for information, members of the Trustees of the Columbia Funds met in advance of the October Section 15(c) contract approval meeting to review certain fee, performance and other data for the Columbia Funds and to ask questions and make requests of management. Trustees have developed a process to evaluate the fee and expense levels and performance of Columbia Funds. This process is used to highlight those funds that have been performing poorly, may have had higher management fees or expense ratios, or both.

The process involves providing instructions to Lipper to prepare specific data analyses tailored to the Trustees review framework. These instructions include highlighting funds that hit one or more fee performance "screens." The six screens the Trustees use are as follows:

- a. 5th Lipper quintile in actual management fee;
- b. 5th Lipper quintile in total expense ratio;
- c. Three or more 5th Lipper quintile rankings in the 1-, 3-, 5- or 10-year performance rankings;
- d. Sum of the Lipper Quintile Rank (1-year performance) and the Lipper Quintile Rank (actual management fee) totals a number equal to or higher than 8;
- e. Sum of the Lipper Quintile Rank (1-year performance) and the Lipper Quintile Rank (total expense ratio) totals a number equal to or higher than 8; and

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- f. Sum of the Lipper Quintile Rank (3-year performance) and the Lipper Quintile Rank (total expense ratio) totals a number equal to or higher than 8.

If a fund hits one or more of these screens, it is highlighted for additional review by the Trustees. This method is only used as an aid for Trustees to highlight funds and is not the sole test of whether the Board will determine to take particular actions concerning fees or performance. Funds that have not been flagged by this screen also may be singled out for fee and performance reasons, and the Trustees may determine not to take action with respect to the fees or performance of funds that have been flagged by the screen. These screens contribute to the basis for discussions on Trustees' views on the Columbia Funds.

III. FINDINGS

My findings based on my work as IFC are as follows:

1. The Trustees have the relevant information necessary to form an opinion on the reasonableness of fees and evaluate the performance of the Columbia Funds.

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The process the Trustees used in preparing to reach their determination has been open and informative. In my view, the 2005 process by which the management fees of the Columbia Funds have been negotiated thus far has been, to the extent practicable, at arm's length and reasonable and consistent with the AOD.

2. Columbia Funds demonstrated a range of performance relative to their peers. I find that across the fund complex, 54.26 percent of Columbia Funds have performance higher than the median of their respective Lipper performance universe, and 42.55 percent of Columbia Funds have performance higher than the median of their respective Lipper performance group. In addition, Lipper performance universe and group comparison showed that Columbia Funds were distributed roughly evenly across these quintiles. The Trustees have worked with management to address issues of funds that have demonstrated consistent or significant underperformance.

3. Columbia Funds demonstrate a range of management fees and expense ratios relative to their peers. I find that across the fund complex, 58.51 percent of Columbia Funds have expenses below the median of their Lipper expense universe, and 53.19 percent of Columbia Funds have expenses below the median of their Lipper expense group. In addition, Lipper expense universe and group comparisons show that Columbia Funds are distributed roughly evenly across these quintiles. The Trustees have taken steps to limit shareholder expenses for certain funds having management fees significantly above their peers, often through the use of fee waivers to which CMG has agreed. Consolidation of various funds and fund families managed by CMG has resulted in substantial savings in non-advisory expenses.

4. Profitability to CMG of the individual funds ranges widely, but the overall profitability to CMG of its relationship with the Columbia Funds appears to fall within a reasonable range. The method of cost allocation to funds is addressed in the material provided by CMG to the Trustees, but additional information may be necessary to make a judgment on fund level profitability. My review of profitability and cost allocation is ongoing, and I plan to continue to develop my views with regard to fund level profitability.

5. Columbia Funds have instituted fee schedules with breakpoints designed to enable investors to benefit from fund economies of scale, although 71% of the funds have not yet reached their first breakpoint. My analysis of the appropriateness of the breakpoint levels, which I expect will take into account the cost and profitability of the individual funds, is ongoing.

My work is ongoing and my views may develop over time in light of new information and analysis.

Respectfully submitted,
Erik R. Sirri

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TRANSFER AGENT

IMPORTANT INFORMATION ABOUT THIS REPORT

The Transfer Agent for Colonial Municipal Income Trust is:

Computershare
P.O. Box 43010
Providence, RI 02940-3010

The trust mails one shareholder report to each shareholder address. Shareholders can order additional reports by calling 800-730-6001. In addition, representatives at that number can provide shareholders information about the trust.

Financial advisors who want additional information about the trust may speak to a representative at 800-426-3750.

A description of the trust's proxy voting policies and procedures is available (i) at www.columbiamanagement.com; (ii) on the Securities and Exchange Commission's website at www.sec.gov, and (iii) without charge, upon request, by calling 800-730-6001. Information regarding how the trust voted proxies relating to portfolio securities during the 12-month period ended June 30 is available from the SEC's website. Information regarding how the trust voted proxies relating to portfolio securities is also available at www.columbiamanagement.com.

The trust files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The trust's Form N-Q is available on the SEC's website at www.sec.gov and may be reviewed and copied at the SEC'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.

Annual Certifications -- As required, on June 13, 2005, the trust submitted to the New York Stock Exchange ("NYSE") the annual certification of the trust's Chief Executive Officer certifying that he is not aware of any violation of the NYSE's Corporate Governance listing standards. The trust also has included the certifications of the trust's Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act of 2002 as exhibits to the trust's Form N-CSR filed with the Securities and Exchange Commission for the annual period.

This report has been prepared for shareholders of Colonial Municipal Income Trust.

COLONIAL MUNICIPAL INCOME TRUST ANNUAL REPORT

SHC-42/92593-1105(01/06)05/9248

ITEM 2. CODE OF ETHICS.

- (a) The registrant has, as of the end of the period covered by this report, adopted a code of ethics that applies to the registrant's principal

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executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party.

- (b) During the period covered by this report, there were not any amendments to a provision of the code of ethics adopted in 2(a) above.
- (c) During the period covered by this report, there were not any waivers or implicit waivers to a provision of the code of ethics adopted in 2(a) above.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant's Board of Trustees has determined that Douglas A. Hacker, Thomas E. Stitzel, Anne-Lee Verville and Richard L. Woolworth, each of whom are members of the registrant's Board of Trustees and Audit Committee, each qualify as an audit committee financial expert. Mr. Hacker, Mr. Stitzel, Ms. Verville and Mr. Woolworth are each independent trustees, as defined in paragraph (a)(2) of this item's instructions and collectively constitute the entire Audit Committee.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

(a) Aggregate Audit Fees billed by the principal accountant for professional services rendered during the fiscal years ended November 30, 2005 and November 30, 2004 are approximately as follows:

2005	2004
\$29,000	\$26,700

Audit Fees include amounts related to the audit of the registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years.

(b) Aggregate Audit-Related Fees billed by the principal accountant for professional services rendered during the fiscal years ended November 30, 2005 and November 30, 2004 are approximately as follows:

2005	2004
\$8,400	\$7,100

Audit-Related Fees include amounts for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the registrant's financial statements and are not reported in Audit Fees above. In both fiscal years 2005 and 2004, Audit-Related Fees include certain agreed-upon procedures performed for semi-annual shareholder reports and a rating agency review.

(c) Aggregate Tax Fees billed by the principal accountant for professional services rendered during the fiscal years ended November 30, 2005 and November 30, 2004 are approximately as follows:

2005	2004
\$3,100	\$3,100

Tax Fees in both fiscal years 2005 and 2004 consist primarily of the review of annual tax returns. Tax fees include amounts for professional services by the principal accountant for tax compliance, tax advice and tax planning.

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(d) Aggregate All Other Fees billed by the principal accountant for professional services rendered during the fiscal years ended November 30, 2005 and November 30, 2004 are approximately as follows:

2005	2004
\$0	\$0

All Other Fees include amounts for products and services provided by the principal accountant, other than the services reported in paragraphs (a) through (c) above.

None of the amounts described in paragraphs (a) through (d) above were approved pursuant to the "de minimis" exception under paragraph (c) (7) (i) (C) of Rule 2-01 of Regulation S-X.

(e) (1) AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

I. GENERAL OVERVIEW

The Audit Committee of the registrant has adopted a formal policy (the "Policy") which sets forth the procedures and the conditions pursuant to which the Audit Committee will pre-approve (i) all audit and non-audit (including audit related, tax and all other) services provided by the registrant's independent auditor to the registrant and individual funds

(collectively "Fund Services"), and (ii) all non-audit services provided by the registrant's independent auditor to the funds' adviser or a control affiliate of the adviser, that relate directly to the funds' operations and financial reporting (collectively "Fund-related Adviser Services"). A "control affiliate" is an entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the funds, and the term "adviser" is deemed to exclude any unaffiliated sub-adviser whose role is primarily portfolio management and is sub-contracted or overseen by another investment adviser. The adviser and control affiliates are collectively referred to as "Adviser Entities."

The Audit Committee uses a combination of specific (on a case-by-case basis as potential services are contemplated) and general (pre-determined list of permitted services) pre-approvals. Unless a type of service has received general pre-approval, it will require specific pre-approval by the Audit Committee if it is to be provided by the independent auditor.

The Policy does not delegate the Audit Committee's responsibilities to pre-approve services performed by the independent auditor to management.

II. GENERAL PROCEDURES

On an annual basis, the Fund Treasurer and/or Director of Trustee Administration shall submit to the Audit Committee a schedule of the types of Fund Services and Fund-related Adviser Services that are subject to general pre-approval.

These schedules will provide a description of each type of service that is subject to general pre-approval and, where possible, will provide estimated fees for each instance of providing each service. This general pre-approval and related fees (where provided) will generally cover a one-year period (for example, from June 1 through May 31 of the following year). The Audit Committee will review and approve the types of services and review the projected fees for the next one-year period and may add to, or subtract from, the list of general pre-approved services from time to time, based on subsequent determinations. This approval acknowledges that the Audit Committee is in agreement with the

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specific types of services that the independent auditor will be permitted to perform. The fee amounts will be updated to the extent necessary at other regularly scheduled meetings of the Audit Committee.

In addition to the fees for each individual service, the Audit Committee has the authority to implement a fee cap on the aggregate amount of non-audit services provided to an individual fund.

If, subsequent to general pre-approval, a fund, its investment adviser or a control affiliate determines that it would like to engage the independent auditor to perform a service that requires pre-approval and that is not included in the general pre-approval list, the specific pre-approval procedure shall be as follows:

- o A brief written request shall be prepared by management detailing the proposed engagement with explanation as to why the work is proposed to be performed by the independent auditor;
- o The request should be addressed to the Audit Committee with copies to the Fund Treasurer and/or Director of Trustee Administration;
- o The Fund Treasurer and/or Director of Trustee Administration will arrange for a discussion of the service to be included on the agenda for the next regularly scheduled Audit Committee meeting, when the Committee will discuss the proposed engagement and approve or deny the request.
- o If the timing of the project is critical and the project needs to commence before the next regularly scheduled meeting, the Chairperson of the Audit Committee may approve or deny the request on behalf of the Audit Committee, or, in the Chairperson's discretion, determine to call a special meeting of the Audit Committee for the purpose of considering the proposal. Should the Chairperson of the Audit Committee be unavailable, any other member of the Audit Committee may serve as an alternate for the purpose of approving or denying the request. Discussion with the Chairperson (or alternate, if necessary) will be arranged by the Fund Treasurer and/or Director of Trustee Administration. The independent auditor will not commence any such project unless and until specific approval has been given.

III. CERTAIN OTHER SERVICES PROVIDED TO ADVISER ENTITIES

The Audit Committee recognizes that there are cases where services proposed to be provided by the independent auditor to the adviser or control affiliates are not Fund-related Adviser Services within the meaning of the Policy, but nonetheless may be relevant to the Audit Committee's ongoing evaluation of the auditor's independence and objectivity with respect to its audit services to the funds. As a result, in all cases where an Adviser Entity engages the independent auditor to provide audit or non-audit services that are not Fund Services or Fund-related Adviser Services, were not subject to pre-approval by the Audit Committee, and the projected fees for any such engagement (or the aggregate of all such engagements during the period covered by the Policy) exceeds a pre-determined threshold established by the Audit Committee; the independent auditor, Fund Treasurer and/or Director of Trustee Administration will notify the Audit Committee not later than its next meeting. Such notification shall include a general description of the services provided, the entity that is to be the recipient of such services, the timing of the engagement, the entity's reasons for selecting the independent auditor, and the projected fees. Such information will allow the Audit Committee to consider whether non-audit services provided to the adviser and Adviser Entities, which were not subject to

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Audit Committee pre-approval, are compatible with maintaining the auditor's independence with respect to the Funds.

IV. REPORTING TO THE AUDIT COMMITTEE

The Fund Treasurer or Director of Trustee Administration shall report to the Audit Committee at each of its regular meetings regarding all Fund Services or Fund-related Adviser Services initiated since the last such report was rendered, including:

- o A general description of the services, and
- o Actual billed and projected fees, and
- o The means by which such Fund Services or Fund-related Adviser Services were pre-approved by the Audit Committee.

In addition, the independent auditor shall report to the Audit Committee annually, and no more than 90 days prior to the filing of audit reports with the SEC, all non-audit services provided to entities in the funds' "investment company complex," as defined by SEC rules, that did not require pre-approval under the Policy.

V. AMENDMENTS; ANNUAL APPROVAL BY AUDIT COMMITTEE

The Policy may be amended from time to time by the Audit Committee. Prompt notice of any amendments will be provided to the independent auditor, Fund Treasurer and Director of Trustee Administration. The Policy shall be reviewed and approved at least annually by the Audit Committee.

(e) (2) The percentage of services described in paragraphs (b) through (d) of this Item approved pursuant to the "de minimis" exception under paragraph (c) (7) (i) (C) of Rule 2-01 of Regulation S-X during both fiscal years ended November 30, 2005 and November 30, 2004 was zero.

(f) Not applicable.

(g) All non-audit fees billed by the registrant's accountant for services rendered to the registrant for the fiscal years ended November 30, 2005 and November 30, 2004 are disclosed in (b) through (d) of this Item.

During the fiscal years ended November 30, 2005 and November 30, 2004, there were no Audit-Related Fees, Tax Fees or All Other Fees that were approved for services to the investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant under paragraph (c) (7) (ii) of Rule 2-01 of Regulation S-X.

The percentage of Audit-Related Fees, Tax Fees and All Other Fees required to be approved under paragraph (c) (7) (ii) of Rule 2-01 of Regulation S-X that were approved under the "de minimis" exception during both fiscal years ended November 30, 2005 and November 30, 2004 was zero.

(h) The registrant's Audit Committee of the Board of Directors has considered whether the provision of non-audit services that were rendered to the

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registrant's adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X, is compatible with maintaining the principal accountant's independence. The Audit Committee determined that the provision of such services is compatible with maintaining the principal accountant's independence.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act (15 U.S.C. 78c(a)(58)(A)). Douglas A. Hacker, Thomas E. Stitzel, Anne-Lee Verville and Richard L. Woolworth are each independent trustees and collectively constitute the entire Audit Committee.

ITEM 6. SCHEDULE OF INVESTMENTS

The registrant's "Schedule I - Investments in securities of unaffiliated issuers" (as set forth in 17 CFR 210.12-12) is included in Item 1 of this Form N-CSR.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

The Fund has delegated to Columbia Management Advisors, LLC (the "Advisor") the responsibility to vote proxies relating to portfolio securities held by the Fund. In deciding to delegate this responsibility to the Advisor, the Board of Trustees of the Trust reviewed and approved the policies and procedures adopted by the Advisor. These included the procedures that the Advisor follows when a vote presents a conflict between the interests of the Fund and its shareholders and the Advisor, its affiliates, its other clients or other persons.

The Advisor's policy is to vote all proxies for Fund securities in a manner considered by the Advisor to be in the best interest of the Fund and its shareholders without regard to any benefit to the Advisor, its affiliates, its other clients or other persons. The Advisor examines each proposal and votes against the proposal, if, in its judgment, approval or adoption of the proposal would be expected to impact adversely the current or potential market value of the issuer's securities. The Advisor also examines each proposal and votes the proxies against the proposal, if, in its judgment, the proposal would be expected to affect adversely the best interest of the Fund. The Advisor determines the best interest of the Fund in light of the potential economic return on the Fund's investment.

The Advisor addresses potential material conflicts of interest by having predetermined voting guidelines. For those proposals that require special consideration or in instances where special circumstances may require varying from the predetermined guideline, the Advisor's Proxy Committee determines the vote in the best interest of the Fund, without consideration of any benefit to the Advisor, its affiliates, its other clients or other persons. The Advisor's Proxy Committee is composed of representatives of the Advisor's equity investments, equity research, compliance, legal and fund administration functions. In addition to the responsibilities described above, the Proxy Committee has the responsibility to review, on a semi-annual basis, the Advisor's proxy voting policies to ensure consistency with internal and regulatory agency policies and to develop additional predetermined voting guidelines to assist in the review of proxy proposals.

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The Proxy Committee may vary from a predetermined guideline if it determines that voting on the proposal according to the predetermined guideline would be expected to impact adversely the current or potential market value of the issuer's securities or to affect adversely the best interest of the client. References to the best interest of a client refer to the interest of the client in terms of the potential economic return on the client's investment. In determining the vote on any proposal, the Proxy Committee does not consider any benefit other than benefits to the owner of the securities to be voted. A member of the Proxy Committee is prohibited from voting on any proposal for which he or she has a conflict of interest by reason of a direct relationship with the issuer or other party affected by a given proposal. Persons making recommendations to the Proxy Committee or its members are required to disclose to the Committee any relationship with a party making a proposal or other matter known to the person that would create a potential conflict of interest.

The Advisor has retained Institutional Shareholder Services ("ISS"), a third party vendor, to implement its proxy voting process. ISS provides proxy analysis, record keeping services and vote disclosure services.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not yet applicable.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Period	Registrant Purchases of Equity Securities*		
	(a) Total Number of Shares	(b) Average Price Paid Per Share	(c) Total Number of Shares Purchased as Part of Publically Announced Plans
06/01/05 through 06/30/05	8,690	\$5.58	8,690
07/01/05 through 07/31/05	8,633	\$5.64	8,633
08/01/05 through 08/31/05	8,617	\$5.69	8,617
09/01/05 through 09/30/05	8,589	\$5.62	8,589
10/01/05 through 10/31/05	9,844	\$5.38	9,844
11/01/05 through 11/30/05	9,534	\$5.46	9,534
Total	53,907	\$5.56	53,907

* Includes shares purchased by the Dividend Reinvestment Agent pursuant to the Registrant's Dividend Reinvestment Plan.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have not been any material changes to the procedures by which shareholders

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may recommend nominees to the registrant's board of directors, since those procedures were last disclosed in response to requirements of Item 7(d) (2) (ii) (G) of Schedule 14A or this Item.

ITEM 11. CONTROLS AND PROCEDURES.

(a) The registrant's principal executive officer and principal financial officers, based on their evaluation of the registrant's disclosure controls and procedures as of a date within 90 days of the filing of this report, has concluded that such controls and procedures are adequately designed to ensure that information required to be disclosed by the registrant in Form N-CSR is accumulated and communicated to the registrant's management, including the principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the registrant's second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

(a) (1) Code of ethics required to be disclosed under Item 2 of Form N-CSR attached hereto as Exhibit 99.CODE ETH.

(a) (2) Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) attached hereto as Exhibit 99.CERT.

(a) (3) Not applicable.

(b) Certification pursuant to Rule 30a-2(b) under the Investment Company Act of 1940 (17 CFR 270.30a-2(b)) attached hereto 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.

(registrant) Colonial Municipal Income Trust -----

By (Signature and Title) /S/ Christopher L. Wilson -----
Christopher L. Wilson, President

Date January 25, 2006 -----

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.

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By (Signature and Title) /S/ Christopher L. Wilson

Christopher L. Wilson, President

Date January 25, 2006

By (Signature and Title) /S/ J. Kevin Connaughton

J. Kevin Connaughton, Treasurer

Date January 25, 2006
