

DREYFUS STRATEGIC MUNICIPAL BOND FUND INC  
Form N-Q  
October 29, 2009

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

FORM N-Q

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

Investment Company Act file number 811-5877

Dreyfus Strategic Municipal Bond Fund, Inc.  
(Exact name of Registrant as specified in charter)

c/o The Dreyfus Corporation  
200 Park Avenue  
New York, New York 10166  
(Address of principal executive offices) (Zip code)

Michael A. Rosenberg, Esq.  
200 Park Avenue  
New York, New York 10166  
(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 922-6000

Date of fiscal year end: 11/30

Date of reporting period: 8/31/09

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**FORM N-Q**

**Item 1. Schedule of Investments.**

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**STATEMENT OF INVESTMENTS**

**Dreyfus Strategic Municipal Bond Fund, Inc.**

**August 31, 2009 (Unaudited)**

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| Long-Term Municipal Investments--147.1%   | Coupon Rate (%) | Maturity Date | Principal Amount (\$) | Value (\$) |
|---|-----------------|---------------|-----------------------|------------|
| <b>Alaska--2.1%</b>   |                 |               |                       |            |
| Alaska Housing Finance Corporation, General Mortgage Revenue (Insured; National Public Finance Guarantee Corp.)   |                 |               |                       |            |
|   | 6.05            | 6/1/39        | 3,970,000             | 3,970,000  |
| Alaska Housing Finance Corporation, Single-Family Residential Mortgage Revenue (Veterans Mortgage Program)        |                 |               |                       |            |
|   | 6.25            | 6/1/35        | 3,975,000             | 4,006,720  |
| <b>Arizona--2.5%</b>  |                 |               |                       |            |
| Glendale Western Loop 101 Public Facilities Corporation, Third Lien Excise Tax Revenue                            |                 |               |                       |            |
|   | 7.00            | 7/1/33        | 6,010,000             | 6,482,266  |
| Pima County Industrial Development Authority, Education Revenue (American Charter Schools Foundation Project)     |                 |               |                       |            |
|   | 5.50            | 7/1/26        | 4,000,000             | 3,027,400  |
| <b>Arkansas--.5%</b>  |                 |               |                       |            |
| Arkansas Development Finance Authority, SFMR (Mortgage Backed Securities Program) (Collateralized: FNMA and GNMA) |                 |               |                       |            |
|   | 6.25            | 1/1/32        | 2,015,000             | 2,055,481  |
| <b>California--17.5%</b>  |                 |               |                       |            |
| Beverly Hills Unified School District, GO   |                 |               |                       |            |
|   | 0.00            | 8/1/30        | 8,000,000 a           | 2,552,880  |
| California, GO (Various Purpose)  |                 |               |                       |            |
|   | 5.75            | 4/1/31        | 7,800,000             | 8,174,166  |
| California, GO (Various Purpose)  |                 |               |                       |            |
|   | 5.00            | 11/1/32       | 2,600,000             | 2,526,836  |
| California, GO (Various Purpose)  |                 |               |                       |            |
|   | 6.50            | 4/1/33        | 5,000,000             | 5,545,200  |
| California Department of Veteran Affairs, Home Purchase Revenue   |                 |               |                       |            |
|   | 5.20            | 12/1/28       | 2,950,000             | 2,950,914  |
| California Educational Facilities Authority, Revenue (University of Southern California)                          |                 |               |                       |            |
|   | 5.25            | 10/1/38       | 5,000,000             | 5,284,500  |

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|---|------|---------|-------------|-----------|
| California Enterprise Development<br>Authority, Sewage Facilities<br>Revenue (Anheuser-Busch<br>Project)                        | 5.30 | 9/1/47  | 1,000,000   | 821,500   |
| California Health Facilities<br>Financing Authority, Revenue<br>(Cedars-Sinai Medical Center)<br>(Prerefunded)                  | 6.25 | 12/1/09 | 3,750,000 b | 3,842,625 |
| California Housing Finance Agency,<br>Home Mortgage Revenue   | 5.05 | 8/1/27  | 2,500,000   | 2,153,850 |
| California Pollution Control<br>Financing Authority, SWDR<br>(Waste Management, Inc.<br>Project)                                | 5.13 | 11/1/23 | 1,500,000   | 1,400,910 |
| California Statewide Communities<br>Development Authority,<br>Environmental Facilities<br>Revenue (Microgy Holdings<br>Project) | 9.00 | 12/1/38 | 2,000,000   | 1,603,760 |
| Golden State Tobacco<br>Securitization Corporation,<br>Tobacco Settlement<br>Asset-Backed Bonds                                 | 5.00 | 6/1/33  | 10,535,000  | 8,462,133 |
| Los Angeles Department of Water<br>and Power, Power System Revenue  | 5.00 | 7/1/34  | 2,885,000   | 2,932,141 |
| Sacramento City Unified School<br>District, GO (Insured; FSA)   | 0.00 | 7/1/24  | 5,220,000 a | 2,151,005 |
| Sacramento County,<br>Airport System Subordinate and<br>Passenger Facility Charges<br>Grant Revenue                             | 6.00 | 7/1/35  | 4,000,000   | 4,048,800 |
| San Diego Public Facilities<br>Financing Authority, Senior<br>Sewer Revenue   | 5.25 | 5/15/34 | 2,500,000   | 2,547,400 |
| Santa Margarita/Dana Point<br>Authority, Revenue (Santa   |      |         |             |           |

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Margarita Water District  
Improvement Districts Numbers

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|  |      |          |              |           |
|--|------|----------|--------------|-----------|
| 2,3 and 4)   | 5.13 | 8/1/38   | 5,000,000    | 5,091,100 |
| Silicon Valley Tobacco   |      |          |              |           |
| Securitization Authority,<br>Tobacco Settlement<br>Asset-Backed Bonds (Santa<br>Clara County Tobacco<br>Securitization Corporation)              | 0.00 | 6/1/36   | 15,290,000 a | 1,466,005 |
| Tuolumne Wind Project Authority,<br>Revenue (Tuolumne Company<br>Project)  |      |          |              |           |
|  | 5.88 | 1/1/29   | 2,000,000    | 2,091,140 |
| <b>Colorado--3.5%</b>  |      |          |              |           |
| Colorado Health Facilities<br>Authority, Revenue (American<br>Baptist Homes of the Midwest<br>Obligated Group)                                   |      |          |              |           |
|  | 5.90 | 8/1/37   | 2,500,000    | 1,825,375 |
| Colorado Health Facilities<br>Authority, Revenue (American<br>Housing Foundation I, Inc.<br>Project) (Prerefunded)                               |      |          |              |           |
|  | 8.50 | 12/1/11  | 1,870,000 b  | 2,150,051 |
| Colorado Housing and Finance<br>Authority, Single Family<br>Program Senior and Subordinate<br>Bonds (Collateralized; FHA)                        |      |          |              |           |
|  | 6.60 | 8/1/32   | 1,375,000    | 1,448,507 |
| Northwest Parkway Public Highway<br>Authority, Revenue<br>(Prerefunded)  |      |          |              |           |
|  | 7.13 | 6/15/11  | 7,000,000 b  | 7,806,960 |
| <b>Connecticut--3.7%</b>   |      |          |              |           |
| Connecticut Development Authority,<br>PCR (Connecticut Light and<br>Power Company Project)   |      |          |              |           |
|  | 5.95 | 9/1/28   | 9,000,000    | 8,924,220 |
| Connecticut Resources Recovery<br>Authority, Special Obligation<br>Revenue (American REF-FUEL<br>Company of Southeastern<br>Connecticut Project) |      |          |              |           |
|  | 6.45 | 11/15/22 | 4,985,000    | 4,801,552 |
| <b>District of Columbia--1.5%</b>  |      |          |              |           |
| District of Columbia Tobacco<br>Settlement Financing<br>Corporation, Tobacco   |      |          |              |           |

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| Settlement Asset-Backed Bonds  | 0.00  | 6/15/46  | 104,040,000 a | 3,123,281 |
| Metropolitan Washington Airports<br>Authority, Special Facility<br>Revenue (Caterair<br>International Corporation) | 10.13 | 9/1/11   | 2,400,000     | 2,352,768 |
| <b>Florida--5.6%</b>   |       |          |               |           |
| Florida Housing Finance<br>Corporation, Housing Revenue<br>(Seminole Ridge Apartments)<br>(Collateralized; GNMA)   | 6.00  | 4/1/41   | 6,415,000     | 6,484,474 |
| Highlands County Health Facilities<br>Authority, HR (Adventist<br>Health System/Sunbelt<br>Obligated Group)        | 5.25  | 11/15/36 | 2,875,000     | 2,712,103 |
| Orange County Health Facilities<br>Authority, HR (Orlando<br>Regional Healthcare System)                           | 6.00  | 10/1/26  | 3,675,000     | 3,677,609 |
| Orange County Health Facilities<br>Authority, HR (Orlando<br>Regional Healthcare System)<br>(Prerefunded)          | 6.00  | 10/1/09  | 70,000 b      | 71,021    |
| Orange County Health Facilities<br>Authority, Revenue (Adventist<br>Health System) (Prerefunded)                   | 6.25  | 11/15/12 | 3,000,000 b   | 3,380,910 |
| Orange County School Board,<br>COP (Master Lease Purchase<br>Agreement) (Insured; Assured<br>Guaranty)             | 5.50  | 8/1/34   | 4,500,000     | 4,663,710 |
| <b>Georgia--3.0%</b>   |       |          |               |           |
| Atlanta,<br>Water and Wastewater Revenue   | 6.00  | 11/1/28  | 4,865,000     | 5,029,096 |
| Augusta,<br>Airport Revenue  | 5.45  | 1/1/31   | 2,500,000     | 1,884,300 |
| Georgia Housing and Finance<br>Authority, SFMR   | 5.60  | 12/1/32  | 2,060,000     | 1,949,790 |
| Savannah Economic Development<br>Authority, EIR (International<br>Paper Company Project)                           | 6.20  | 8/1/27   | 2,670,000     | 2,522,456 |
| <b>Idaho--.1%</b>  |       |          |               |           |

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|---|------|----------|--------------|------------|
| Idaho Housing and Finance<br>Association, SFMR<br>(Collateralized; FNMA)  | 6.35 | 1/1/30   | 220,000      | 220,935    |
| <b>Illinois--4.8%</b>   |      |          |              |            |
| Chicago,<br>SFMR (Collateralized: FHLMC,<br>FNMA and GNMA)  | 6.25 | 10/1/32  | 1,340,000    | 1,377,064  |
| Illinois Health Facilities<br>Authority, Revenue (Advocate<br>Health Care Network)<br>(Prerefunded)   | 6.13 | 11/15/10 | 5,000,000 b  | 5,335,750  |
| Illinois Health Facilities<br>Authority, Revenue (OSF<br>Healthcare System)<br>(Prerefunded)  | 6.25 | 11/15/09 | 10,900,000 b | 11,137,293 |
| <b>Indiana--1.7%</b>  |      |          |              |            |
| Franklin Township School Building<br>Corporation, First Mortgage<br>Bonds (Prerefunded)   | 6.13 | 7/15/10  | 6,000,000 b  | 6,421,080  |
| <b>Kentucky--.3%</b>  |      |          |              |            |
| Louisville/Jefferson County Metro<br>Government, Health Facilities<br>Revenue (Jewish Hospital and<br>Saint Mary's HealthCare, Inc.<br>Project)       | 6.13 | 2/1/37   | 1,000,000    | 1,016,690  |
| <b>Louisiana--2.4%</b>  |      |          |              |            |
| Lakeshore Villages Master<br>Community Development<br>District, Special Assessment<br>Revenue   | 5.25 | 7/1/17   | 1,987,000    | 1,569,035  |
| Louisiana Local Government<br>Environmental Facilities and<br>Community Development<br>Authority, Revenue (Westlake<br>Chemical Corporation Projects) | 6.75 | 11/1/32  | 4,000,000    | 3,611,120  |
| West Feliciana Parish,<br>PCR (Entergy Gulf States<br>Project)  | 7.00 | 11/1/15  | 1,270,000    | 1,269,949  |
| West Feliciana Parish,<br>PCR (Entergy Gulf States  |      |          |              |            |

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|---|------|----------|-------------|-----------|
| Project)  | 6.60 | 9/1/28   | 2,545,000   | 2,545,764 |
| <b>Maryland--1.3%</b>   |      |          |             |           |
| Maryland Economic Development Corporation, Senior Student Housing Revenue (University of Maryland, Baltimore Project) | 5.75 | 10/1/33  | 2,550,000   | 1,677,518 |
| Maryland Industrial Development Financing Authority, EDR (Medical Waste Associates Limited Partnership Facility)      | 8.75 | 11/15/10 | 3,710,000   | 3,315,367 |
| <b>Massachusetts--5.8%</b>  |      |          |             |           |
| Massachusetts Educational Financing Authority, Education Loan Revenue (Insured; Assured Guaranty)                     | 6.13 | 1/1/22   | 8,000,000   | 8,356,560 |
| Massachusetts Health and Educational Facilities Authority, Revenue (Civic Investments Issue) (Prerefunded)            | 9.00 | 12/15/12 | 1,900,000 b | 2,290,412 |
| Massachusetts Health and Educational Facilities Authority, Revenue (Partners HealthCare System Issue)                 | 5.75 | 7/1/32   | 115,000     | 118,248   |
| Massachusetts Housing Finance Agency, Housing Revenue   | 7.00 | 12/1/38  | 5,000,000   | 5,491,850 |
| Massachusetts Housing Finance Agency, SFHR  | 5.00 | 12/1/31  | 6,000,000   | 5,566,320 |
| <b>Michigan--5.2%</b>   |      |          |             |           |
| Detroit, Sewage Disposal System Senior Lien Revenue (Insured; FSA)  | 7.50 | 7/1/33   | 3,500,000   | 4,148,865 |
| Kent Hospital Finance Authority, Revenue (Metropolitan Hospital Project)  | 6.00 | 7/1/35   | 4,000,000   | 2,942,040 |
| Michigan Strategic Fund, SWDR (Genesee Power Station Project)   | 7.50 | 1/1/21   | 7,720,000   | 6,466,504 |

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Royal Oak Hospital Finance  
 Authority, HR (William

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|--|------|----------|-------------|-----------|
| Beaumont Hospital Obligated<br>Group)  | 8.00 | 9/1/29   | 5,000,000   | 5,743,950 |
| <b>Minnesota--.2%</b>  |      |          |             |           |
| Saint Paul Housing and<br>Redevelopment Authority,<br>Hospital Facility Revenue<br>(HealthEast Project)  | 6.00 | 11/15/35 | 1,105,000   | 902,498   |
| <b>Mississippi--1.1%</b>   |      |          |             |           |
| Mississippi Business Finance<br>Corporation, PCR (System<br>Energy Resources, Inc. Project)  | 5.90 | 5/1/22   | 4,260,000   | 4,000,992 |
| <b>Missouri--1.5%</b>  |      |          |             |           |
| Missouri Health and Educational<br>Facilities Authority, Health<br>Facilities Revenue (BJC Health<br>System)   | 5.25 | 5/15/32  | 5,525,000   | 5,548,537 |
| <b>Nebraska--.2%</b>   |      |          |             |           |
| Nebraska Investment Finance<br>Authority, SFMR   | 9.63 | 3/1/26   | 600,000 c,d | 610,770   |
| <b>Nevada--3.5%</b>  |      |          |             |           |
| Clark County,<br>IDR (Nevada Power Company<br>Project)   | 5.60 | 10/1/30  | 5,500,000   | 4,780,985 |
| Washoe County,<br>GO Convention Center Revenue<br>(Reno-Sparks Convention and<br>Visitors Authority) (Insured;<br>FSA) (Prerefunded)                           | 6.40 | 1/1/10   | 8,000,000 b | 8,159,520 |
| <b>New Hampshire--3.8%</b>   |      |          |             |           |
| New Hampshire Business Finance<br>Authority, PCR (Public Service<br>Company of New Hampshire<br>Project) (Insured; National<br>Public Finance Guarantee Corp.) | 6.00 | 5/1/21   | 2,690,000   | 2,724,432 |
| New Hampshire Business Finance<br>Authority, PCR (Public Service   |      |          |             |           |



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| Company of New Hampshire<br>Project) (Insured; National<br>Public Finance Guarantee Corp.)                              | 6.00 | 5/1/21   | 6,000,000      | 6,076,800  |
| New Hampshire Industrial  |      |          |                |            |
| <hr/>   |      |          |                |            |
| Development Authority, PCR<br>(Connecticut Light and Power<br>Company Project)  | 5.90 | 11/1/16  | 5,400,000      | 5,406,318  |
| <b>New Jersey--5.3%</b>   |      |          |                |            |
| New Jersey Economic Development<br>Authority, School Facilities<br>Construction Revenue                                 | 5.50 | 12/15/29 | 5,000,000      | 5,371,500  |
| New Jersey Economic Development<br>Authority, Special Facility<br>Revenue (Continental Airlines,<br>Inc. Project)       | 6.25 | 9/15/19  | 2,620,000      | 2,267,636  |
| Tobacco Settlement Financing<br>Corporation of New Jersey,<br>Tobacco Settlement<br>Asset-Backed Bonds                  | 5.00 | 6/1/29   | 250,000        | 198,935    |
| Tobacco Settlement Financing<br>Corporation of New Jersey,<br>Tobacco Settlement<br>Asset-Backed Bonds<br>(Prerefunded) | 7.00 | 6/1/13   | 10,095,000 b   | 12,093,507 |
| <b>New York--8.7%</b>   |      |          |                |            |
| Austin Trust<br>(Port Authority of New York<br>and New Jersey, Consolidated<br>Bonds, 151st Series)                     | 6.00 | 9/15/28  | 10,000,000 d,e | 10,687,950 |
| Long Island Power Authority,<br>Electric System General Revenue   | 6.25 | 4/1/33   | 3,000,000      | 3,387,450  |
| Metropolitan Transportation<br>Authority, Transportation<br>Revenue   | 6.25 | 11/15/23 | 8,425,000      | 9,517,386  |
| New York City Industrial<br>Development Agency, Special<br>Facility Revenue (American<br>Airlines, Inc. John F. Kennedy |      |          |                |            |

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| International Airport Project)   | 7.75 | 8/1/31  | 5,000,000 | 4,277,650 |
| New York State Dormitory<br>Authority, Revenue (Marymount<br>Manhattan College) (Insured;<br>Radian)   | 6.25 | 7/1/29  | 4,000,000 | 4,036,720 |
| New York State Dormitory   |      |         |           |           |
| <hr/>  |      |         |           |           |
| Authority, Revenue (Suffolk<br>County Judicial Facility)   | 9.50 | 4/15/14 | 605,000   | 790,420   |
| <b>North Carolina--1.3%</b>  |      |         |           |           |
| North Carolina Eastern Municipal<br>Power Agency, Power System<br>Revenue  | 6.70 | 1/1/19  | 2,500,000 | 2,543,200 |
| North Carolina Housing Finance<br>Agency, Home Ownership Revenue   | 5.88 | 7/1/31  | 2,365,000 | 2,368,737 |
| <b>Ohio--1.4%</b>  |      |         |           |           |
| Cuyahoga County,<br>Hospital Facilities Revenue<br>(UHHS/CSAHS-Cuyahoga, Inc. and<br>CSAHS/UHHS-Canton, Inc.<br>Project)   | 7.50 | 1/1/30  | 3,500,000 | 3,555,545 |
| Port of Greater Cincinnati<br>Development Authority, Tax<br>Increment Development Revenue<br>(Fairfax Village Red Bank<br>Infrastructure Project)                | 5.63 | 2/1/36  | 2,530,000 | 1,642,400 |
| <b>Rhode Island--1.5%</b>  |      |         |           |           |
| Rhode Island Health and<br>Educational Building<br>Corporation, Hospital<br>Financing Revenue (Lifespan<br>Obligated Group Issue)<br>(Insured; Assured Guaranty) | 7.00 | 5/15/39 | 5,000,000 | 5,647,650 |
| <b>South Carolina--4.1%</b>  |      |         |           |           |
| Greenville Hospital System,<br>Hospital Facilities Revenue<br>(Insured; AMBAC)   | 5.50 | 5/1/26  | 7,000,000 | 7,117,250 |
| Richland County,<br>EIR (International Paper   |      |         |           |           |

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| Company Project)  | 6.10 | 4/1/23  | 8,500,000   | 8,146,995 |
| <b>Tennessee--4.8%</b>  |      |         |             |           |
| Johnson City Health and<br>Educational Facilities Board,<br>Hospital First Mortgage<br>Revenue (Mountain States<br>Health Alliance) (Prerefunded) | 7.50 | 7/1/12  | 2,000,000 b | 2,289,080 |
| Johnson City Health and   |      |         |             |           |
| <hr/>   |      |         |             |           |
| Educational Facilities Board,<br>Hospital First Mortgage<br>Revenue (Mountain States<br>Health Alliance) (Prerefunded)                            | 7.50 | 7/1/12  | 4,875,000 b | 5,579,633 |
| Memphis Center City Revenue<br>Finance Corporation, Sports<br>Facility Revenue (Memphis<br>Redbirds Baseball Foundation<br>Project)               | 6.50 | 9/1/28  | 6,000,000 f | 2,837,940 |
| Metropolitan Government of<br>Nashville and Davidson County<br>Health and Educational<br>Facilities Board, Revenue (The<br>Vanderbilt University) | 5.50 | 10/1/29 | 2,500,000   | 2,777,875 |
| Metropolitan Government of<br>Nashville and Davidson County<br>Health and Educational<br>Facilities Board, Revenue (The<br>Vanderbilt University) | 5.50 | 10/1/34 | 3,000,000   | 3,268,860 |
| Tennessee Housing Development<br>Agency, Homeownership Program<br>Revenue   | 6.00 | 1/1/28  | 1,320,000   | 1,342,361 |
| <b>Texas--27.3%</b>   |      |         |             |           |
| Brazos River Authority,<br>PCR (TXU Electric Company<br>Project)  | 8.25 | 5/1/33  | 2,500,000   | 1,308,850 |
| Brazos River Harbor Navigation<br>District, Revenue (The Dow<br>Chemical Company Project)   | 5.13 | 5/15/33 | 5,000,000   | 3,978,200 |
| Dallas-Fort Worth International   |      |         |             |           |

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| Airport Facility Improvement Corporation, Revenue (Learjet Inc. Project)  | 6.15 | 1/1/16   | 3,000,000   | 2,844,300  |
| Gregg County Health Facilities Development Corporation, HR (Good Shepherd Medical Center Project) (Insured; Radian) (Prerefunded) | 6.38 | 10/1/10  | 2,500,000 b | 2,662,200  |
| Gulf Coast Industrial Development Authority, Environmental Facilities Revenue (Microgy Holdings Project)                          | 7.00 | 12/1/36  | 5,000,000   | 2,203,200  |
| Harris County Health Facilities Development Corporation, HR (Memorial Hermann Healthcare System)                                  | 7.25 | 12/1/35  | 9,290,000   | 10,214,820 |
| Harris County Health Facilities Development Corporation, HR (Memorial Hermann Healthcare System) (Prerefunded)                    | 6.38 | 6/1/11   | 7,000,000 b | 7,727,650  |
| Harris County Hospital District, Senior Lien Revenue (Insured; National Public Finance Guarantee Corp.)                           | 5.25 | 2/15/42  | 5,000,000   | 4,803,600  |
| Harris County-Houston Sports Authority, Third Lien Revenue (Insured; National Public Finance Guarantee Corp.)                     | 0.00 | 11/15/31 | 9,685,000 a | 1,916,758  |
| Houston, Combined Utility System First Lien Revenue (Insured; Assured Guaranty)   | 6.00 | 11/15/36 | 5,000,000   | 5,648,800  |
| Lubbock Housing Financing Corporation, SFMR (Collateralized: FNMA and GNMA)   | 6.70 | 10/1/30  | 845,000     | 886,870    |
| Matagorda County Navigation District Number One, Revenue (Houston Lighting and Power  |      |          |             |            |

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| Company Project) (Insured;<br>AMBAC)   | 5.13 | 11/1/28 | 4,295,000  | 3,592,810  |
| North Texas Tollway Authority,<br>First Tier System Revenue<br>(Insured; Assured Guaranty) | 5.75 | 1/1/40  | 14,705,000 | 15,519,804 |
| North Texas Tollway Authority,<br>Second Tier System Revenue                               | 5.75 | 1/1/38  | 6,650,000  | 6,566,942  |
| Sabine River Authority,<br>PCR (TXU Electric Company<br>Project)                           | 6.45 | 6/1/21  | 4,900,000  | 2,222,885  |
| Texas<br>(Veterans' Land)  | 6.00 | 12/1/30 | 3,935,000  | 3,958,531  |
| Texas,   |      |         |            |            |

|  |       |         |           |           |
|--|-------|---------|-----------|-----------|
| GO (Veterans Housing<br>Assistance Program)<br>(Collateralized; FHA)   | 6.10  | 6/1/31  | 8,510,000 | 8,521,659 |
| Texas Department of Housing and<br>Community Affairs, Home<br>Mortgage Revenue<br>(Collateralized: FHLMC, FNMA<br>and GNMA)        | 12.01 | 7/2/24  | 850,000 c | 954,321   |
| Texas Department of Housing and<br>Community Affairs, Residential<br>Mortgage Revenue<br>(Collateralized: FHLMC, FNMA<br>and GNMA) | 5.35  | 7/1/33  | 5,035,000 | 5,037,215 |
| Texas Turnpike Authority,<br>Central Texas Turnpike System<br>Revenue (Insured; AMBAC)   | 5.25  | 8/15/42 | 5,375,000 | 4,933,014 |
| Tomball Hospital Authority,<br>Revenue (Tomball Regional<br>Hospital)  | 6.00  | 7/1/25  | 4,650,000 | 3,842,574 |
| Willacy County Local Government<br>Corporation, Project Revenue  | 6.88  | 9/1/28  | 4,000,000 | 3,139,200 |
| <b>Virginia--6.9%</b>  |       |         |           |           |
| Henrico County Industrial<br>Development Authority, Revenue<br>(Bon Secours Health System)   |       |         |           |           |

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|  |       |          |              |            |
|--|-------|----------|--------------|------------|
| (Insured; FSA)   | 11.09 | 8/23/27  | 7,350,000 c  | 8,261,033  |
| Virginia Housing Development<br>Authority, Commonwealth<br>Mortgage Revenue                                      | 6.25  | 7/1/31   | 5,250,000    | 5,674,620  |
| Virginia Housing Development<br>Authority, Rental Housing<br>Revenue   | 6.20  | 8/1/24   | 8,520,000    | 8,610,823  |
| Washington County Industrial<br>Development Authority, HR<br>(Mountain States Health<br>Alliance)                | 7.75  | 7/1/38   | 3,000,000    | 3,345,690  |
| <b>Washington--4.4%</b>  |       |          |              |            |
| Washington Health Care Facilities<br>Authority, Mortgage Revenue<br>(Highline Medical Center)                    |       |          |              |            |
| <hr/>  |       |          |              |            |
| (Collateralized; FHA)  | 6.25  | 8/1/36   | 6,000,000    | 6,404,940  |
| Washington Higher Educational<br>Facilities Authority, Revenue<br>(Whitman College) (Prerefunded)                | 5.88  | 10/1/09  | 10,000,000 b | 10,046,100 |
| <b>Wisconsin--7.4%</b>   |       |          |              |            |
| Badger Tobacco Asset<br>Securitization Corporation,<br>Tobacco Settlement<br>Asset-Backed Bonds                  | 6.13  | 6/1/27   | 6,455,000    | 7,080,941  |
| Badger Tobacco Asset<br>Securitization Corporation,<br>Tobacco Settlement<br>Asset-Backed Bonds<br>(Prerefunded) | 7.00  | 6/1/12   | 14,570,000 b | 16,653,364 |
| Wisconsin Health and Educational<br>Facilities Authority, Revenue<br>(Aurora Health Care, Inc.)                  | 6.40  | 4/15/33  | 4,000,000    | 4,006,000  |
| <b>U.S. Related--2.2%</b>  |       |          |              |            |
| Government of Guam,<br>GO  | 7.00  | 11/15/39 | 1,500,000    | 1,512,285  |
| Puerto Rico Commonwealth,<br>Public Improvement GO   | 5.50  | 7/1/32   | 1,500,000    | 1,428,735  |
| Puerto Rico Sales Tax Financing  |       |          |              |            |

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|   |                 |                 |                      |                      |
|---|-----------------|-----------------|----------------------|----------------------|
| Corporation, Sales Tax Revenue                |                 |                 |                      |                      |
| (First Subordinate Series)                    | 6.00            | 8/1/42          | 5,000,000            | 5,223,850            |
| <b>Total Long-Term Municipal Investments</b>  |                 |                 |                      |                      |
| (cost \$565,841,130)                          |                 |                 |                      | <b>551,309,345</b>   |
| <b>Short-Term Municipal</b>                   | <b>Coupon</b>   | <b>Maturity</b> | <b>Principal</b>     |                      |
| <b>Investment--.2%</b>                        | <b>Rate (%)</b> | <b>Date</b>     | <b>Amount (\$)</b>   | <b>Value (\$)</b>    |
| <b>Idaho;</b>                                 |                 |                 |                      |                      |
| Idaho Health Facilities Authority,            |                 |                 |                      |                      |
| Revenue (Saint Luke's Regional                |                 |                 |                      |                      |
| Medical Center Project)                       |                 |                 |                      |                      |
| (Insured; FSA and Liquidity                   |                 |                 |                      |                      |
| Facility; Bank of Montreal)                   |                 |                 |                      |                      |
| (cost \$700,000)                              | 0.20            | 9/1/09          | 700,000 <sup>9</sup> | <b>700,000</b>       |
| <b>Total Investments</b> (cost \$566,541,130) |                 |                 | <b>147.3%</b>        | <b>552,009,345</b>   |
| <b>Cash and Receivables (Net)</b>             |                 |                 | <b>2.3%</b>          | <b>8,747,718</b>     |
| <b>Preferred Stock, at redemption value</b>   |                 |                 | <b>(49.6%)</b>       | <b>(186,000,000)</b> |

**Net Assets Applicable to Common Shareholders** **100.0%** **374,757,063**

- a Security issued with a zero coupon. Income is recognized through the accretion of discount.
- b These securities are prerefunded; the date shown represents the prerefunded date. Bonds which are prerefunded are collateralized by U.S. Government securities which are held in escrow and are used to pay principal and interest on the municipal issue and to retire the bonds in full at the earliest refunding date.
- c Inverse floater security--the interest rate is subject to change periodically.
- d Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At August 31, 2009, these securities amounted to \$11,298,720 or 3.0% of net assets applicable to Common Shareholders.
- e Collateral for floating rate borrowings.
- f Non-income producing--security in default.
- g Variable rate demand note - rate shown is the interest rate in effect at August 31, 2009. Maturity date represents the next demand date, or the ultimate maturity date if earlier.

At August 31, 2009, the aggregate cost of investment securities for income tax purposes was \$566,541,130. Net unrealized depreciation on investments was \$14,531,785 of which \$27,194,301 related to appreciated investment securities and \$41,726,086 related to depreciated investment securities.

Summary of Abbreviations

|              |   |             |                                  |
|--------------|---|-------------|----------------------------------|
| <b>ABAG</b>  | Association Of Bay Area Governments           | <b>ACA</b>  | American Capital Access          |
| <b>AGC</b>   | ACE Guaranty Corporation                      | <b>AGIC</b> | Asset Guaranty Insurance Company |
| <b>AMBAC</b> | American Municipal Bond Assurance Corporation | <b>ARRN</b> | Adjustable Rate Receipt Notes    |

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|             |                                       |             |                                      |
|-------------|---------------------------------------|-------------|--------------------------------------|
| <b>BAN</b>  | Bond Anticipation Notes               | <b>BIGI</b> | Bond Investors Guaranty Insurance    |
| <b>BPA</b>  | Bond Purchase Agreement               | <b>CGIC</b> | Capital Guaranty Insurance Company   |
| <b>CIC</b>  | Continental Insurance Company         | <b>CIFG</b> | CDC Ixis Financial Guaranty          |
| <b>CMAC</b> | Capital Markets Assurance Corporation | <b>COP</b>  | Certificate of Participation         |
| <b>CP</b>   | Commercial Paper                      | <b>EDR</b>  | Economic Development Revenue         |
| <b>EIR</b>  | Environmental Improvement Revenue     | <b>FGIC</b> | Financial Guaranty Insurance Company |
| <b>FHA</b>  | Federal Housing Administration        | <b>FHLB</b> | Federal Home Loan Bank               |

|               |  |              |  |
|---------------|--|--------------|--|
| <b>FHLMC</b>  | Federal Home Loan Mortgage Corporation | <b>FNMA</b>  | Federal National Mortgage Association    |
| <b>FSA</b>    | Financial Security Assurance           | <b>GAN</b>   | Grant Anticipation Notes                 |
| <b>GIC</b>    | Guaranteed Investment Contract         | <b>GNMA</b>  | Government National Mortgage Association |
| <b>GO</b>     | General Obligation                     | <b>HR</b>    | Hospital Revenue                         |
| <b>IDB</b>    | Industrial Development Board           | <b>IDC</b>   | Industrial Development Corporation       |
| <b>IDR</b>    | Industrial Development Revenue         | <b>LOC</b>   | Letter of Credit                         |
| <b>LOR</b>    | Limited Obligation Revenue             | <b>LR</b>    | Lease Revenue                            |
| <b>MFHR</b>   | Multi-Family Housing Revenue           | <b>MFMR</b>  | Multi-Family Mortgage Revenue            |
| <b>PCR</b>    | Pollution Control Revenue              | <b>PILOT</b> | Payment in Lieu of Taxes                 |
| <b>RAC</b>    | Revenue Anticipation Certificates      | <b>RAN</b>   | Revenue Anticipation Notes               |
| <b>RAW</b>    | Revenue Anticipation Warrants          | <b>RRR</b>   | Resources Recovery Revenue               |
| <b>SAAN</b>   | State Aid Anticipation Notes           | <b>SBPA</b>  | Standby Bond Purchase Agreement          |
| <b>SFHR</b>   | Single Family Housing Revenue          | <b>SFMR</b>  | Single Family Mortgage Revenue           |
| <b>SONYMA</b> | State of New York Mortgage Agency      | <b>SWDR</b>  | Solid Waste Disposal Revenue             |
| <b>TAN</b>    | Tax Anticipation Notes                 | <b>TAW</b>   | Tax Anticipation Warrants                |
| <b>TRAN</b>   | Tax and Revenue Anticipation Notes     | <b>XLCA</b>  | XL Capital Assurance                     |

Various inputs are used in determining the value of the fund's investments relating to FAS 157. These inputs are summarized in the three broad levels listed below.

**Level 1** - quoted prices in active markets for identical investments.

**Level 2** - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

**Level 3** - significant unobservable inputs (including the fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used as of August 31, 2009 in valuing the fund's investments:

| Assets (\$) | Level 1 - Quoted<br>Prices | Level 2 - Other Significant<br>Observable Inputs | Level 3 - Significant<br>Unobservable Inputs | Total |
|-------------|----------------------------|--|--|-------|
|-------------|----------------------------|--|--|-------|



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### Investments in Securities:

|                              |   |             |   |                    |
|------------------------------|---|-------------|---|--------------------|
| Municipal Bonds              | - | 552,009,345 | - | <b>552,009,345</b> |
| Other Financial Instruments+ | - | -           | - | -                  |
| <b>Liabilities (\$)</b>      |   |             |   |                    |
| Other Financial Instruments+ | - | -           | - | -                  |

Other financial instruments include derivative instruments, such as futures, forward foreign currency exchange contracts, swap contracts and options contracts. Amounts shown represents unrealized appreciation (depreciation), or in the case of options, market value at period end.

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The fund adopted Statement of Financial Accounting Standards No. 161 Disclosures about Derivative Instruments and Hedging Activities ( FAS 161 ). FAS 161 requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of gains and losses on derivative instruments and disclosures about credit-risk-related contingent features in derivative agreements. Since the fund held no derivatives during the period, FAS 161 disclosures did not impact the notes to the financial statements.

Portfolio valuation: Investments in municipal debt securities are valued on the last business day of each week and month by an independent pricing service (the Service ) approved by the Board of Directors. Investments for which quoted bid prices are readily available and are representative of the bid side of the market in the judgment of the Service are valued at the mean between the quoted bid prices (as obtained by the Service from dealers in such securities) and asked prices (as calculated by the Service based upon its evaluation of the market for such securities). Other investments (which constitute a majority of the portfolio securities) are carried at fair value as determined by the Service, based on methods which include consideration of: yields or prices of municipal securities of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions. Options and financial futures on municipal securities and U.S.Treasury securities are valued at the last sales price on the securities exchange on which such securities are primarily traded or at the last sales price on the national securities market on the last business day of each week and month.

Inverse Floater Securities: The fund may participate in secondary inverse floater structures in which fixed-rate, tax-exempt municipal bonds purchased by the fund are transferred to a trust. The trust subsequently issues two or more variable rate securities that are collateralized by the cash flows of the fixed-rate, tax-exempt municipal bonds. One or more of these variable rate securities pays interest based on a short-term floating rate set by a remarketing agent at predetermined intervals. A residual interest tax-exempt security is also

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created by the trust, which is transferred to the fund, and is paid interest based on the remaining cash flow of the trust, after payment of interest on the other securities and various expenses of the trust.

The fund accounts for the transfer of bonds to the trusts as secured borrowings, with the securities transferred remaining in the fund s investments, and the related floating rate certificate securities reflected as fund liabilities.

Additional investment related disclosures are hereby incorporated by reference to the annual and semi-annual reports previously filed with the Securities and Exchange Commission on Form N-CSR.

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### **Item 2. Controls and Procedures.**

(a) The Registrant's principal executive and principal financial officers have concluded, based on their evaluation of the Registrant's disclosure controls and procedures as of a date within 90 days of the filing date of this report, that the Registrant's disclosure controls and procedures are reasonably designed to ensure that information required to be disclosed by the Registrant on Form N-Q is recorded, processed, summarized and reported within the required time periods and that information required to be disclosed by the Registrant in the reports that it files or submits on Form N-Q is accumulated and communicated to the Registrant's management, including its principal executive and principal financial officers,

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as appropriate to allow timely decisions regarding required disclosure.

(b) There were no changes to the Registrant's internal control over financial reporting that occurred during the Registrant's most recently ended fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

### Item 3.

### Exhibits.

(a) Certifications of principal executive and principal financial officers as required by Rule 30a-2(a) under the Investment Company Act of 1940.

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### 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.

Dreyfus Strategic Municipal Bond Fund, Inc.

By: /s/ J. David Officer  
J. David Officer  
President

Date: October 28, 2009

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.

By: /s/ J. David Officer  
J. David Officer  
President

Date: October 28, 2009

By: /s/ James Windels  
James Windels  
Treasurer

Date: October 28, 2009

### EXHIBIT INDEX

(a) Certifications of principal executive and principal financial officers as required by Rule 30a-2(a) under the Investment Company Act of 1940. (EX-99.CERT)

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