

DREYFUS STRATEGIC MUNICIPAL BOND FUND INC  
Form N-Q  
October 29, 2012

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)

Janette E. Farragher, 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: 8/31/2012

---

FORM N-Q

Item 1. Schedule of Investments.

---

## STATEMENT OF INVESTMENTS

Dreyfus Strategic Municipal Bond Fund, Inc.  
August 31, 2012 (Unaudited)

Long-Term Municipal Investments--143.4%	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Alabama--.7%				
Jefferson County,				

Edgar Filing: DREYFUS STRATEGIC MUNICIPAL BOND FUND INC - Form N-Q

Limited Obligation School				
Warrants	5.25	1/1/17	2,000,000	2,007,280
Jefferson County, Limited Obligation School				
Warrants	5.00	1/1/24	1,000,000	981,290
<b>Alaska--2.2%</b>				
Northern Tobacco Securitization Corporation of Alaska, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/32	2,500,000	2,147,025
Northern Tobacco Securitization Corporation of Alaska, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/46	9,465,000	7,669,206
<b>Arizona--7.4%</b>				
Barclays Capital Municipal Trust Receipts (Salt River Project Agricultural Improvement and Power District, Salt River Project Electric System Revenue)	5.00	1/1/38	13,198,367 a,b	14,630,501
Glendale Western Loop 101 Public Facilities Corporation, Third Lien Excise Tax Revenue	7.00	7/1/33	6,010,000	6,454,980
Pima County Industrial Development Authority, Education Revenue (American Charter Schools Foundation Project)	5.50	7/1/26	4,000,000	3,886,560
Pima County Industrial Development Authority, IDR (Tucson Electric Power Company Project)	5.75	9/1/29	6,000,000	6,409,740
Salt Verde Financial Corporation,				
<hr/>				
Senior Gas Revenue	5.00	12/1/37	1,000,000	1,068,570
<b>California--15.8%</b>				
Barclays Capital Municipal Trust Receipts (Los Angeles Department of Airports, Senior Revenue (Los Angeles International Airport))	5.00	5/15/31	5,247,500 a,b,c	6,052,246
California,				

Edgar Filing: DREYFUS STRATEGIC MUNICIPAL BOND FUND INC - Form N-Q

GO (Various Purpose) California,	5.75	4/1/31	7,800,000	9,212,970
GO (Various Purpose) California,	6.00	3/1/33	2,250,000	2,770,808
GO (Various Purpose) California,	6.50	4/1/33	5,000,000	6,239,650
GO (Various Purpose) California State Public Works Board, LR (The Regents of the University of California) (Various University of California Projects)	6.00	11/1/35	5,000,000	6,059,300
California Statewide Communities Development Authority, Revenue (Front Porch Communities and Services Project)	5.00	4/1/34	3,000,000	3,306,030
Golden State Tobacco Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	5.13	4/1/37	4,975,000 b	5,120,967
Los Angeles Department of Water and Power, Power System Revenue	4.50	6/1/27	2,000,000	1,730,640
Los Angeles Department of Water and Power, Water System Revenue	5.00	7/1/34	2,885,000	3,233,998
Sacramento City Unified School District, GO (Insured; Assured Guaranty Municipal Corp.)	5.00	7/1/43	5,000,000	5,792,800
Sacramento County, Airport System Subordinate and Passenger Facility Charges Grant Revenue	0.00	7/1/24	5,220,000 d	3,070,508
San Buenaventura, Revenue (Community Memorial Health System)	6.00	7/1/35	4,000,000 c	4,627,160
San Diego Public Facilities Financing Authority, Senior Sewer Revenue	7.50	12/1/41	1,500,000	1,822,050
Santa Margarita/Dana Point	5.25	5/15/34	2,500,000	2,879,425



Edgar Filing: DREYFUS STRATEGIC MUNICIPAL BOND FUND INC - Form N-Q

Hospital, Inc.)	6.25	4/1/39	2,500,000	2,879,625
<b>Georgia--3.7%</b>				
Atlanta, Airport General Revenue	5.00	1/1/26	3,500,000 c	3,934,350
Atlanta, Water and Wastewater Revenue	6.00	11/1/28	4,865,000	5,984,680
Atlanta, Water and Wastewater Revenue (Insured; Assured Guaranty Municipal Corp.)	5.25	11/1/34	1,000,000	1,143,740
Augusta, Airport Revenue	5.45	1/1/31	2,500,000 c	2,486,050
Savannah Economic Development Authority, EIR (International Paper Company Project)	6.20	8/1/27	2,670,000	2,774,531
<b>Hawaii--1.2%</b>				
Hawaii Department of Budget and Finance, Special Purpose Revenue (Hawai'i Pacific Health Obligated Group)	5.63	7/1/30	2,500,000	2,775,175
Hawaii Department of Budget and Finance, Special Purpose Revenue (Hawaiian Electric Company, Inc. and Subsidiary Projects)	6.50	7/1/39	2,000,000	2,344,500
<b>Idaho--.0%</b>				
Idaho Housing and Finance Association, SFMR (Collateralized; FNMA)	6.35	1/1/30	185,000	185,370
<b>Illinois--1.9%</b>				
Chicago, General Airport Third Lien Revenue (Chicago O'Hare International Airport)	5.63	1/1/35	3,000,000 c	3,524,730
<hr/>				
Illinois Finance Authority, Revenue (Sherman Health Systems)	5.50	8/1/37	1,020,000	1,102,528
Railsplitter Tobacco Settlement				

Edgar Filing: DREYFUS STRATEGIC MUNICIPAL BOND FUND INC - Form N-Q

Authority, Tobacco Settlement				
Revenue	6.00	6/1/28	3,000,000	3,522,600
<b>Indiana--.7%</b>				
Indianapolis Local Public				
Improvement Bond Bank, Revenue				
(Indianapolis Airport				
Authority Project) (Insured;				
AMBAC)	5.00	1/1/36	3,000,000 c	3,134,220
<b>Iowa--.4%</b>				
Tobacco Settlement Authority of				
Iowa, Tobacco Settlement				
Asset-Backed Bonds	5.60	6/1/34	2,000,000	1,860,240
<b>Kentucky--.3%</b>				
Louisville/Jefferson County Metro				
Government, Health Facilities				
Revenue (Jewish Hospital and				
Saint Mary's HealthCare, Inc.				
Project) (Prerefunded)	6.13	2/1/18	1,000,000 e	1,277,750
<b>Louisiana--1.2%</b>				
Lakeshore Villages Master				
Community Development				
District, Special Assessment				
Revenue	5.25	7/1/17	1,987,000 f	795,098
Louisiana Local Government				
Environmental Facilities and				
Community Development				
Authority, Revenue (Westlake				
Chemical Corporation Projects)	6.75	11/1/32	4,000,000	4,508,600
<b>Maine--.6%</b>				
Maine Health and Higher				
Educational Facilities				
Authority, Revenue				
(MaineGeneral Medical Center				
Issue)	7.50	7/1/32	2,000,000	2,490,260
<b>Maryland--.4%</b>				
Maryland Economic Development				

---

Corporation, Senior Student  
Housing Revenue (University of

Edgar Filing: DREYFUS STRATEGIC MUNICIPAL BOND FUND INC - Form N-Q

Maryland, Baltimore Project)	5.75	10/1/33	2,550,000	1,879,299
<b>Massachusetts--11.8%</b>				
Barclays Capital Municipal Trust Receipts (Massachusetts Health and Educational Facilities Authority, Revenue (Massachusetts Institute of Technology Issue))	5.00	7/1/38	10,200,000 a,b	11,853,012
JPMorgan Chase Putters/Drivers Trust (Massachusetts, Consolidated Loan)	5.00	4/1/19	6,400,000 a,b	7,712,896
JPMorgan Chase Putters/Drivers Trust (Massachusetts Development Finance Agency, Revenue (Harvard University Issue))	5.25	2/1/34	10,000,000 a,b	12,130,400
Massachusetts Development Finance Agency, Revenue (Tufts Medical Center Issue)	7.25	1/1/32	2,500,000	3,163,100
Massachusetts Health and Educational Facilities Authority, Revenue (Suffolk University Issue)	6.25	7/1/30	5,000,000	5,830,600
Massachusetts Housing Finance Agency, Housing Revenue	7.00	12/1/38	4,575,000	5,269,668
Massachusetts Housing Finance Agency, SFHR	5.00	12/1/31	5,575,000	5,752,452
<b>Michigan--8.4%</b>				
Detroit, Sewage Disposal System Senior Lien Revenue (Insured; Assured Guaranty Municipal Corp.)	7.50	7/1/33	3,500,000	4,408,390
Detroit, Water Supply System Senior Lien Revenue	5.00	7/1/31	3,780,000	3,979,660
Detroit, Water Supply System Senior Lien Revenue	5.00	7/1/36	3,290,000	3,392,878

Edgar Filing: DREYFUS STRATEGIC MUNICIPAL BOND FUND INC - Form N-Q

Kent Hospital Finance Authority, Revenue (Metropolitan Hospital Project)	6.00	7/1/35	2,000,000	2,098,360
Michigan Finance Authority, Clean Water Revolving Fund Revenue	5.00	10/1/31	2,000,000	2,408,540
Michigan Strategic Fund, LOR (State of Michigan Cadillac Place Office Building Project)	5.25	10/15/31	4,500,000	5,127,255
Michigan Strategic Fund, SWDR (Genesee Power Station Project)	7.50	1/1/21	6,620,000	6,619,338
Royal Oak Hospital Finance Authority, HR (William Beaumont Hospital Obligated Group)	8.00	9/1/29	5,000,000	6,406,150
Wayne County Airport Authority, Airport Revenue (Detroit Metropolitan Wayne County Airport) (Insured; National Public Finance Guarantee Corp.)	5.00	12/1/34	2,450,000 c	2,505,444
<b>Minnesota--.6%</b>				
Tobacco Securitization Authority of Minnesota, Tobacco Settlement Revenue Bonds	5.25	3/1/31	2,500,000	2,826,200
<b>Nevada--1.3%</b>				
Clark County, Passenger Facility Charge Revenue (Las Vegas-McCarran International Airport)	5.00	7/1/30	5,000,000 c	5,596,050
<b>New Hampshire--1.2%</b>				
New Hampshire Industrial Development Authority, PCR (Connecticut Light and Power Company Project)	5.90	11/1/16	5,400,000	5,422,572
<b>New Jersey--4.2%</b>				
New Jersey Economic Development Authority, School Facilities Construction Revenue	5.50	12/15/29	5,000,000	5,871,350



Edgar Filing: DREYFUS STRATEGIC MUNICIPAL BOND FUND INC - Form N-Q

New Jersey Economic Development Authority, Special Facility Revenue (Continental Airlines, Inc. Project)	5.13	9/15/23	2,500,000 c	2,533,400
New Jersey Economic Development Authority, Water Facilities Revenue (New Jersey - American Water Company, Inc. Project)	5.70	10/1/39	3,000,000	3,356,310
Tobacco Settlement Financing Corporation of New Jersey, Tobacco Settlement Asset-Backed Bonds	4.50	6/1/23	1,475,000	1,416,030
Tobacco Settlement Financing Corporation of New Jersey, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/41	1,000,000	833,990
Tobacco Settlement Financing Corporation of New Jersey, Tobacco Settlement Asset-Backed Bonds (Prerefunded)	7.00	6/1/13	4,095,000 e	4,303,395
<b>New Mexico--1.3%</b>				
Farmington, PCR (Public Service Company of New Mexico San Juan Project)	5.90	6/1/40	5,000,000	5,597,300
<b>New York--14.6%</b>				
Austin Trust (Port Authority of New York and New Jersey, Consolidated Bonds, 151st Series)	6.00	9/15/28	10,000,000 a,b,c	12,026,200
Barclays Capital Municipal Trust Receipts (New York City Transitional Finance Authority, Future Tax Secured Revenue)	5.00	5/1/30	4,488,203 a,b	5,228,559
Barclays Capital Municipal Trust Receipts (New York City Transitional Finance				

Edgar Filing: DREYFUS STRATEGIC MUNICIPAL BOND FUND INC - Form N-Q

Authority, Future Tax Secured Subordinate Revenue)	5.50	11/1/27	5,000,000 a,b	6,153,550
<hr/>				
JPMorgan Chase Putters/Drivers Trust (New York City Transitional Finance Authority, Future Tax Secured Subordinate Revenue)	5.25	11/1/18	5,000,000 a,b	6,093,600
Long Island Power Authority, Electric System General Revenue	6.25	4/1/33	3,000,000	3,738,300
Metropolitan Transportation Authority, Transportation Revenue	6.25	11/15/23	9,425,000 c	11,984,736
Metropolitan Transportation Authority, Transportation Revenue	5.00	11/1/28	1,500,000 c	1,769,070
New York City Educational Construction Fund, Revenue	6.50	4/1/28	2,785,000	3,560,177
New York City Industrial Development Agency, Senior Airport Facilities Revenue (Transportation Infrastructure Properties, LLC Obligated Group)	5.00	7/1/22	2,165,000 c	2,339,477
New York City Industrial Development Agency, Special Facility Revenue (American Airlines, Inc. John F. Kennedy International Airport Project)	7.75	8/1/31	5,000,000 c,f	5,258,300
New York State Dormitory Authority, Revenue (Suffolk County Judicial Facility)	9.50	4/15/14	605,000	658,760
Port Authority of New York and New Jersey, Special Project Bonds (JFK International Air Terminal LLC Project)	6.00	12/1/36	4,710,000 c	5,492,048
<b>North Carolina--2.6%</b> Barclays Capital Municipal Trust Receipts (North Carolina				

Edgar Filing: DREYFUS STRATEGIC MUNICIPAL BOND FUND INC - Form N-Q

Medical Care Commission, Health Care Facilities Revenue (Duke University Health System))	5.00	6/1/42	10,000,000 a,b	11,406,800
---	------	--------	----------------	------------

---

**Ohio--5.8%**

Buckeye Tobacco Settlement Financing Authority, Tobacco Settlement Asset-Backed Bonds	5.88	6/1/47	2,500,000	2,030,400
Butler County, Hospital Facilities Revenue (UC Health)	5.50	11/1/40	3,000,000	3,266,010
Cleveland, Airport System Revenue	5.00	1/1/30	2,000,000 c	2,219,360
Ohio Air Quality Development Authority, Air Quality Revenue (Ohio Valley Electric Corporation Project)	5.63	10/1/19	4,200,000	4,872,588
Port of Greater Cincinnati Development Authority, Tax Increment Development Revenue (Fairfax Village Red Bank Infrastructure Project)	5.63	2/1/36	2,530,000 b	2,134,637
Southeastern Ohio Port Authority, Hospital Facilities Improvement Revenue (Memorial Health System Obligated Group Project)	6.00	12/1/42	2,000,000	2,120,800
Toledo-Lucas County Port Authority, Special Assessment Revenue (Crocker Park Public Improvement Project)	5.38	12/1/35	3,000,000	3,072,870
University of Akron, General Receipts Bonds (Insured; Assured Guaranty Municipal Corp.)	5.00	1/1/22	5,000,000	5,926,450

**Oregon--.4%**

Warm Springs Reservation  
Confederated Tribes,

Edgar Filing: DREYFUS STRATEGIC MUNICIPAL BOND FUND INC - Form N-Q

Hydroelectric Revenue (Pelton Round Butte Project)	6.38	11/1/33	1,500,000	1,586,835
<b>Pennsylvania--2.1%</b>				
JPMorgan Chase Putters/Drivers Trust (Geisinger Authority, Health System Revenue				
<hr/>				
(Geisinger Health System) Philadelphia,	5.13	6/1/35	3,000,000 a,b	3,368,160
GO	6.50	8/1/41	4,700,000	5,741,990
<b>Rhode Island--1.4%</b>				
Rhode Island Health and Educational Building Corporation, Hospital Financing Revenue (Lifespan Obligated Group Issue) (Insured; Assured Guaranty Municipal Corp.)	7.00	5/15/39	5,000,000	6,057,850
<b>Tennessee--1.5%</b>				
Metropolitan Government of Nashville and Davidson County Health and Educational Facilities Board, Revenue (The Vanderbilt University)	5.50	10/1/29	2,500,000	3,031,950
Metropolitan Government of Nashville and Davidson County Health and Educational Facilities Board, Revenue (The Vanderbilt University)	5.50	10/1/34	3,000,000	3,569,070
<b>Texas--20.4%</b>				
Barclays Capital Municipal Trust Receipts (Leander Independent School District, Unlimited Tax School Building Bonds (Permanent School Fund Guarantee Program))	5.00	8/15/40	9,997,299 a,b	11,194,049
Barclays Capital Municipal Trust Receipts (Texas A&M University System Board of Regents,				

Edgar Filing: DREYFUS STRATEGIC MUNICIPAL BOND FUND INC - Form N-Q

Financing System Revenue) Dallas and Fort Worth, Joint Improvement Revenue (Dallas/Fort Worth International Airport)	5.00	5/15/39	13,160,000 a,b	14,943,706
Dallas-Fort Worth International Airport Facility Improvement Corporation, Revenue (Learjet Inc. Project)	5.00	11/1/42	5,000,000 c	5,370,350
	6.15	1/1/16	3,000,000 c	3,005,460

---

Harris County Health Facilities Development Corporation, HR (Memorial Hermann Healthcare System)	7.25	12/1/35	9,290,000	11,623,555
Harris County Health Facilities Development Corporation, Revenue (CHRISTUS Health) (Insured; Assured Guaranty Municipal Corp.) Houston, Combined Utility System First Lien Revenue (Insured; Assured Guaranty Municipal Corp.)	5.00	7/1/15	1,500,000	1,662,060
Love Field Airport Modernization Corporation, Special Facilities Revenue (Southwest Airlines Company - Love Field Modernization Program Project)	6.00	11/15/36	5,000,000	6,065,400
Matagorda County Navigation District Number One, Revenue (Houston Lighting and Power Company Project) (Insured; AMBAC)	5.00	11/1/28	1,000,000 c	1,076,400
North Texas Tollway Authority, First Tier System Revenue (Insured; Assured Guaranty Municipal Corp.)	5.13	11/1/28	4,295,000	4,975,800
North Texas Tollway Authority, Second Tier System Revenue	5.75	1/1/40	14,705,000 c	16,937,954
	5.75	1/1/38	6,650,000 c	7,298,907

Edgar Filing: DREYFUS STRATEGIC MUNICIPAL BOND FUND INC - Form N-Q

Texas Department of Housing and Community Affairs, Home Mortgage Revenue (Collateralized: FHLMC, FNMA and GNMA)	13.30	7/2/24	550,000 g	580,778
Texas Turnpike Authority, Central Texas Turnpike System Revenue (Insured; AMBAC)	5.25	8/15/42	5,375,000 c	5,379,676
<b>Virginia--8.3%</b>				
Henrico County Industrial Development Authority, Revenue (Bon Secours Health System)				
(Insured; Assured Guaranty Municipal Corp.)	11.15	8/23/27	7,200,000 g	9,494,640
Virginia Commonwealth Transportation Board, Transportation Capital Projects Revenue	5.00	5/15/21	8,565,000 c	10,812,884
Virginia Commonwealth Transportation Board, Transportation Capital Projects Revenue	5.00	5/15/22	3,840,000 c	4,893,965
Virginia Housing Development Authority, Commonwealth Mortgage Revenue	6.25	7/1/31	5,140,000	5,891,365
Virginia Small Business Financing Authority, Senior Lien Revenue (Elizabeth River Crossing Opco, LLC Project)	5.50	1/1/42	1,500,000 c	1,659,495
Washington County Industrial Development Authority, HR (Mountain States Health Alliance)	7.75	7/1/38	3,000,000	3,732,900
<b>Washington--5.3%</b>				
Barclays Capital Municipal Trust Receipts (King County, Sewer Revenue) Seattle,	5.00	1/1/29	8,577,246 a,b	10,113,838

Edgar Filing: DREYFUS STRATEGIC MUNICIPAL BOND FUND INC - Form N-Q

Water System Revenue	5.00	9/1/24	5,000,000	6,264,850
Washington Health Care Facilities Authority, Mortgage Revenue (Highline Medical Center) (Collateralized; FHA)	6.25	8/1/36	5,975,000	6,993,917
<b>West Virginia--1.9%</b>				
The County Commission of Harrison County, SWDR (Allegheny Energy Supply Company, LLC Harrison Station Project)	5.50	10/15/37	7,920,000	8,315,208
<b>Wisconsin--.9%</b>				
Wisconsin Health and Educational Facilities Authority, Revenue (Aurora Health Care, Inc.)	6.40	4/15/33	4,000,000	4,072,960

**U.S. Related--6.0%**

Puerto Rico Aqueduct and Sewer Authority, Senior Lien Revenue	5.13	7/1/37	5,000,000	5,014,950
Puerto Rico Commonwealth, Public Improvement GO	5.50	7/1/32	1,500,000	1,624,455
Puerto Rico Commonwealth, Public Improvement GO	6.00	7/1/39	1,610,000	1,763,980
Puerto Rico Commonwealth, Public Improvement GO	6.50	7/1/40	2,390,000	2,779,546
Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue (First Subordinate Series)	5.38	8/1/39	2,500,000	2,676,400
Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue (First Subordinate Series)	6.00	8/1/42	10,000,000	11,226,600
Virgin Islands Public Finance Authority, Revenue (Virgin Islands Matching Fund Loan Notes) (Senior Lien/Capital Projects)	5.00	10/1/39	1,250,000	1,306,388

**Total Long-Term Municipal Investments**

(cost \$561,356,085) **631,208,084**

<b>Short-Term Municipal Investments--.3%</b>	<b>Coupon Rate (%)</b>	<b>Maturity Date</b>	<b>Principal Amount (\$)</b>	<b>Value (\$)</b>
--	------------------------	----------------------	------------------------------	-------------------

Edgar Filing: DREYFUS STRATEGIC MUNICIPAL BOND FUND INC - Form N-Q

**California--.2%**

Irvine Assessment District Number  
03-19, Limited Obligation  
Improvement Bonds (LOC:  
California State Teachers  
Retirement System and U.S.

Bank NA)	0.19	9/1/12	900,000 h	900,000
----------	------	--------	-----------	---------

**New York--.1%**

New York City,  
GO Notes (LOC; JPMorgan Chase

Bank)	0.20	9/1/12	400,000 h	400,000
-------	------	--------	-----------	---------

**Total Short-Term Municipal Investments**

(cost \$1,300,000)				<b>1,300,000</b>
--------------------	--	--	--	------------------

<b>Total Investments</b> (cost \$562,656,085)			<b>143.7 %</b>	<b>632,508,084</b>
---	--	--	----------------	--------------------

<b>Liabilities, Less Cash and Receivables</b>			<b>(12.0 %)</b>	<b>(52,994,890 )</b>
---	--	--	-----------------	----------------------

<b>Preferred Stock, at redemption value</b>			<b>(31.7 %)</b>	<b>(139,500,000 )</b>
---	--	--	-----------------	-----------------------

<b>Net Assets Applicable to Common Shareholders</b>			<b>100.0 %</b>	<b>440,013,194</b>
---	--	--	----------------	--------------------

a Collateral for floating rate borrowings.

b Securities exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. August 31, 2012, these securities were valued at \$140,163,121 or 31.9% of net assets applicable to Common Shareholders.

c At August 31, 2012, the fund had \$138,278,682 or 31.4% of net assets applicable to Common Shareholders invested in securities whose payment of principal and interest is dependent upon revenues generated from transportation.

d Security issued with a zero coupon. Income is recognized through the accretion of discount.

e 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.

f Non-income producing--security in default.

g Inverse floater security--the interest rate is subject to change periodically. Rate shown is the interest rate in effect at August 31, 2012.

h Variable rate demand note - rate shown is the interest rate in effect at August 31, 2012. Maturity date represents the next demand date, or the ultimate maturity date if earlier.

At August 31, 2012, net unrealized appreciation on investments was \$69,851,999 of which \$72,041,102 related to appreciated investment securities and \$2,189,103 related to depreciated investment securities. At August 31, 2012, the cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes.

Summary of Abbreviations

**ABAG** Association of Bay Area Governments

**ACA** American Capital Access



Edgar Filing: DREYFUS STRATEGIC MUNICIPAL BOND FUND INC - Form N-Q

<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
<b>BAN</b>	Bond Anticipation Notes	<b>BPA</b>	Bond Purchase Agreement
<b>CIFG</b>	CDC Ixis Financial Guaranty	<b>COP</b>	Certificate of Participation
<b>CP</b>	Commercial Paper	<b>DRIVERS</b>	Derivative Inverse Tax-Exempt Receipts
<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>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>LIFERS</b>	Long Inverse Floating Exempt Receipts
<b>LOC</b>	Letter of Credit	<b>LOR</b>	Limited Obligation Revenue
<b>LR</b>	Lease Revenue	<b>MERLOTS</b>	Municipal Exempt Receipt Liquidity Option Tender
<b>MFHR</b>	Multi-Family Housing Revenue	<b>MFMR</b>	Multi-Family Mortgage Revenue
<b>PCR</b>	Pollution Control Revenue	<b>P-FLOATS</b>	Puttable Floating Option Tax-Exempts Receipts
<b>PILOT</b>	Payment in Lieu of Taxes	<b>PUTTERS</b>	Puttable Tax-Exempt Receipts
<b>RAC</b>	Revenue Anticipation Certificates	<b>RAN</b>	Revenue Anticipation Notes
<b>RAW</b>	Revenue Anticipation Warrants	<b>ROCS</b>	Reset Option Certificates
<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>SPEARS</b>	Short Puttable Exempt Adjustable Receipts	<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

The following is a summary of the inputs used as of August 31, 2012 in valuing the fund's investments:

	<b>Level 1 - Unadjusted Quoted Prices</b>	<b>Level 2 - Other Significant Observable Inputs</b>	<b>Level 3 - Significant Unobservable Inputs</b>	<b>Total</b>
<b>Assets (\$)</b>				
Investments in Securities:				

Municipal Bonds	-	632,508,084	-	<b>632,508,084</b>
-----------------	---	-------------	---	--------------------

---

The Financial Accounting Standards Board ( FASB ) Accounting Standards Codification ( ASC ) is the exclusive reference of authoritative U.S. generally accepted accounting principles ( GAAP ) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission ( SEC ) under authority of federal laws are also sources of authoritative GAAP for SEC registrants. The fund's financial statements are prepared in accordance with GAAP, which may require the use of management estimates and assumptions. Actual results could differ from those estimates.

Portfolio valuation: The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. the exit price). GAAP establishes a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Additionally, GAAP provides guidance on determining whether the volume and activity in a market has decreased significantly and whether such a decrease in activity results in transactions that are not orderly. GAAP requires enhanced disclosures around valuation inputs and techniques used during annual and interim periods.

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

Level 1 unadjusted quoted prices in active markets for identical investments.

Level 2 other significant observable inputs (including quoted prices for similar investments, 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.

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. Valuation techniques used to value the fund's investments are as follows:

---

Investments in securities are valued each business day 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 the following: yields or prices of municipal securities of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions. All preceding securities are categorized as Level 2 in the hierarchy.

When market quotations or official closing prices are not readily available, or are determined not to reflect accurately fair value, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded (for example, a foreign exchange or market), but before the fund calculates its net asset value, the fund may value these investments at fair value as determined in accordance with the procedures approved by the Board of Directors. Certain factors may be considered when fair valuing investments such as: fundamental analytical data, the nature and duration of restrictions on disposition, an evaluation of the forces that influence the market in which the securities are purchased and sold, and public trading in similar securities of the issuer or comparable issuers. These securities are either categorized as Level 2 or 3 depending on the relevant inputs used.

For restricted securities where observable inputs are limited, assumptions about market activity and risk are used and are categorized as Level 3 in the hierarchy.

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.

## **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, 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.

**FORM N-Q**

**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/ Bradley J. Skapyak  
Bradley J. Skapyak  
President

Date: October 22, 2012

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/ Bradley J. Skapyak  
Bradley J. Skapyak  
President

Date: October 22, 2012

By: /s/ James Windels  
James Windels  
Treasurer

Date: October 22, 2012

**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)