

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

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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, 2012 (Unaudited)

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

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

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



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

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|                                   |      |         |             |           |
|-----------------------------------|------|---------|-------------|-----------|
| 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     |      |         |             |           |

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Corporation, Senior Student  
Housing Revenue (University of

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

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



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|   |      |         |                  |            |
|---|------|---------|------------------|------------|
| 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   |      |         |                  |            |

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

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

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**Ohio--5.8%**

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

**Oregon--.4%**

Warm Springs Reservation  
Confederated Tribes,

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| Hydroelectric Revenue (Pelton<br>Round Butte Project)   | 6.38 | 11/1/33 | 1,500,000     | 1,586,835  |
| <b>Pennsylvania--2.1%</b>   |      |         |               |            |
| JPMorgan Chase Putters/Drivers<br>Trust (Geisinger Authority,<br>Health System Revenue  |      |         |               |            |
| <hr/>   |      |         |               |            |
| (Geisinger Health System)<br>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<br>Educational Building<br>Corporation, Hospital<br>Financing Revenue (Lifespan<br>Obligated Group Issue)<br>(Insured; Assured Guaranty<br>Municipal Corp.) | 7.00 | 5/15/39 | 5,000,000     | 6,057,850  |
| <b>Tennessee--1.5%</b>  |      |         |               |            |
| 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     | 3,031,950  |
| 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     | 3,569,070  |
| <b>Texas--20.4%</b>   |      |         |               |            |
| Barclays Capital Municipal Trust<br>Receipts (Leander Independent<br>School District, Unlimited Tax<br>School Building Bonds<br>(Permanent School Fund<br>Guarantee Program))       | 5.00 | 8/15/40 | 9,997,299 a,b | 11,194,049 |
| Barclays Capital Municipal Trust<br>Receipts (Texas A&M University<br>System Board of Regents,  |      |         |               |            |

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| Financing System Revenue)<br>Dallas and Fort Worth,<br>Joint Improvement Revenue<br>(Dallas/Fort Worth<br>International Airport) | 5.00 | 5/15/39 | 13,160,000 a,b | 14,943,706 |
| Dallas-Fort Worth International<br>Airport Facility Improvement<br>Corporation, Revenue (Learjet<br>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<br>Development Corporation, HR<br>(Memorial Hermann Healthcare<br>System)  | 7.25 | 12/1/35  | 9,290,000    | 11,623,555 |
| Harris County Health Facilities<br>Development Corporation,<br>Revenue (CHRISTUS Health)<br>(Insured; Assured Guaranty<br>Municipal Corp.)                   | 5.00 | 7/1/15   | 1,500,000    | 1,662,060  |
| Houston,<br>Combined Utility System First<br>Lien Revenue (Insured; Assured<br>Guaranty Municipal Corp.)   | 6.00 | 11/15/36 | 5,000,000    | 6,065,400  |
| Love Field Airport Modernization<br>Corporation, Special<br>Facilities Revenue (Southwest<br>Airlines Company - Love Field<br>Modernization Program Project) | 5.00 | 11/1/28  | 1,000,000 c  | 1,076,400  |
| Matagorda County Navigation<br>District Number One, Revenue<br>(Houston Lighting and Power<br>Company Project) (Insured;<br>AMBAC)                           | 5.13 | 11/1/28  | 4,295,000    | 4,975,800  |
| North Texas Tollway Authority,<br>First Tier System Revenue<br>(Insured; Assured Guaranty<br>Municipal Corp.)  | 5.75 | 1/1/40   | 14,705,000 c | 16,937,954 |
| North Texas Tollway Authority,<br>Second Tier System Revenue   | 5.75 | 1/1/38   | 6,650,000 c  | 7,298,907  |

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

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|  |      |          |           |           |
|--|------|----------|-----------|-----------|
| 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> |
|--|------------------------|----------------------|------------------------------|-------------------|
|--|------------------------|----------------------|------------------------------|-------------------|

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**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



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

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

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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:

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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)