

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,				

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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
Alaska--2.2%				
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
Arizona--7.4%				
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,				
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Senior Gas Revenue	5.00	12/1/37	1,000,000	1,068,570
California--15.8%				
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,				

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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

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Hospital, Inc.)	6.25	4/1/39	2,500,000	2,879,625
Georgia--3.7%				
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 Savannah Economic Development Authority, EIR (International Paper Company Project)	5.45	1/1/31	2,500,000 c	2,486,050
	6.20	8/1/27	2,670,000	2,774,531
Hawaii--1.2%				
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
Idaho--.0%				
Idaho Housing and Finance Association, SFMR (Collateralized; FNMA)	6.35	1/1/30	185,000	185,370
Illinois--1.9%				
Chicago, General Airport Third Lien Revenue (Chicago O'Hare International Airport)	5.63	1/1/35	3,000,000 c	3,524,730
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Illinois Finance Authority, Revenue (Sherman Health Systems) 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
Indiana--.7%				
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
Iowa--.4%				
Tobacco Settlement Authority of				
Iowa, Tobacco Settlement				
Asset-Backed Bonds	5.60	6/1/34	2,000,000	1,860,240
Kentucky--.3%				
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
Louisiana--1.2%				
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
Maine--.6%				
Maine Health and Higher				
Educational Facilities				
Authority, Revenue				
(MaineGeneral Medical Center				
Issue)	7.50	7/1/32	2,000,000	2,490,260
Maryland--.4%				
Maryland Economic Development				

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
Massachusetts--11.8%				
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
Michigan--8.4%				
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

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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
Minnesota--.6%				
Tobacco Securitization Authority of Minnesota, Tobacco Settlement Revenue Bonds	5.25	3/1/31	2,500,000	2,826,200
Nevada--1.3%				
Clark County, Passenger Facility Charge Revenue (Las Vegas-McCarran International Airport)	5.00	7/1/30	5,000,000 c	5,596,050
New Hampshire--1.2%				
New Hampshire Industrial Development Authority, PCR (Connecticut Light and Power Company Project)	5.90	11/1/16	5,400,000	5,422,572
New Jersey--4.2%				
New Jersey Economic Development Authority, School Facilities 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
New Mexico--1.3%				
Farmington, PCR (Public Service Company of New Mexico San Juan Project)	5.90	6/1/40	5,000,000	5,597,300
New York--14.6%				
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 Subordinate Revenue)	5.50	11/1/27	5,000,000 a,b	6,153,550
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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
North Carolina--2.6% Barclays Capital Municipal Trust Receipts (North Carolina				

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

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Hydroelectric Revenue (Pelton Round Butte Project)	6.38	11/1/33	1,500,000	1,586,835
Pennsylvania--2.1%				
JPMorgan Chase Putters/Drivers Trust (Geisinger Authority, Health System Revenue				
(Geisinger Health System)	5.13	6/1/35	3,000,000 a,b	3,368,160
Philadelphia, GO	6.50	8/1/41	4,700,000	5,741,990
Rhode Island--1.4%				
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
Tennessee--1.5%				
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
Texas--20.4%				
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,				

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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.)	5.00	7/1/15	1,500,000	1,662,060
Houston, Combined Utility System First Lien Revenue (Insured; Assured Guaranty Municipal Corp.)	6.00	11/15/36	5,000,000	6,065,400
Love Field Airport Modernization Corporation, Special Facilities Revenue (Southwest Airlines Company - Love Field Modernization Program Project)	5.00	11/1/28	1,000,000 c	1,076,400
Matagorda County Navigation District Number One, Revenue (Houston Lighting and Power Company Project) (Insured; AMBAC)	5.13	11/1/28	4,295,000	4,975,800
North Texas Tollway Authority, First Tier System Revenue (Insured; Assured Guaranty Municipal Corp.)	5.75	1/1/40	14,705,000 c	16,937,954
North Texas Tollway Authority, 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 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
Virginia--8.3%				
Henrico County Industrial Development Authority, Revenue (Bon Secours Health System)				
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(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
Washington--5.3%				
Barclays Capital Municipal Trust Receipts (King County, Sewer Revenue) 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
West Virginia--1.9%				
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
Wisconsin--.9%				
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**

Short-Term Municipal Investments--.3%	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
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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
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New York--.1%

New York City,
GO Notes (LOC; JPMorgan Chase

Bank)	0.20	9/1/12	400,000 h	400,000
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Total Short-Term Municipal Investments

(cost \$1,300,000)				1,300,000
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Total Investments (cost \$562,656,085)			143.7 %	632,508,084
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Liabilities, Less Cash and Receivables			(12.0 %)	(52,994,890)
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Preferred Stock, at redemption value			(31.7 %)	(139,500,000)
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Net Assets Applicable to Common Shareholders			100.0 %	440,013,194
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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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AGC	ACE Guaranty Corporation	AGIC	Asset Guaranty Insurance Company
AMBAC	American Municipal Bond Assurance Corporation	ARRN	Adjustable Rate Receipt Notes
BAN	Bond Anticipation Notes	BPA	Bond Purchase Agreement
CIFG	CDC Ixis Financial Guaranty	COP	Certificate of Participation
CP	Commercial Paper	DRIVERS	Derivative Inverse Tax-Exempt Receipts
EDR	Economic Development Revenue	EIR	Environmental Improvement Revenue

FGIC	Financial Guaranty Insurance Company	FHA	Federal Housing Administration
FHLB	Federal Home Loan Bank	FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association	GAN	Grant Anticipation Notes
GIC	Guaranteed Investment Contract	GNMA	Government National Mortgage Association
GO	General Obligation	HR	Hospital Revenue
IDB	Industrial Development Board	IDC	Industrial Development Corporation
IDR	Industrial Development Revenue	LIFERS	Long Inverse Floating Exempt Receipts
LOC	Letter of Credit	LOR	Limited Obligation Revenue
LR	Lease Revenue	MERLOTS	Municipal Exempt Receipt Liquidity Option Tender
MFHR	Multi-Family Housing Revenue	MFMR	Multi-Family Mortgage Revenue
PCR	Pollution Control Revenue	P-FLOATS	Puttable Floating Option Tax-Exempts Receipts
PILOT	Payment in Lieu of Taxes	PUTTERS	Puttable Tax-Exempt Receipts
RAC	Revenue Anticipation Certificates	RAN	Revenue Anticipation Notes
RAW	Revenue Anticipation Warrants	ROCS	Reset Option Certificates
RRR	Resources Recovery Revenue	SAAN	State Aid Anticipation Notes
SBPA	Standby Bond Purchase Agreement	SFHR	Single Family Housing Revenue
SFMR	Single Family Mortgage Revenue	SONYMA	State of New York Mortgage Agency
SPEARS	Short Puttable Exempt Adjustable Receipts	SWDR	Solid Waste Disposal Revenue
TAN	Tax Anticipation Notes	TAW	Tax Anticipation Warrants
TRAN	Tax and Revenue Anticipation Notes	XLCA	XL Capital Assurance

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

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

Municipal Bonds	-	632,508,084	-	632,508,084
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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:

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)