

DREYFUS STRATEGIC MUNICIPALS INC  
Form N-Q  
February 24, 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      811-5245

Dreyfus Strategic Municipals, 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:      9/30

Date of reporting period:      12/31/11

**FORM N-Q**

**Item 1. Schedule of Investments.**

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**STATEMENT OF INVESTMENTS****Dreyfus Strategic Municipals, Inc.****December 31, 2011 (Unaudited)**

| <b>Long-Term Municipal<br/>Investments--150.7%</b>  | <b>Coupon<br/>Rate (%)</b> | <b>Maturity<br/>Date</b> | <b>Principal<br/>Amount (\$)</b> | <b>Value (\$)</b> |
|---|----------------------------|--------------------------|----------------------------------|-------------------|
| <b>Alabama--.3%</b>   |                            |                          |                                  |                   |
| Jefferson County,<br>Limited Obligation School<br>Warrants  |                            |                          |                                  |                   |
|   | 5.00                       | 1/1/24                   | 2,000,000                        | 1,781,140         |
| <b>Alaska--.3%</b>  |                            |                          |                                  |                   |
| Northern Tobacco Securitization<br>Corporation of Alaska, Tobacco<br>Settlement Asset-Backed Bonds  |                            |                          |                                  |                   |
|   | 5.00                       | 6/1/46                   | 2,000,000                        | 1,379,780         |
| <b>Arizona--6.2%</b>  |                            |                          |                                  |                   |
| Arizona Housing Finance Authority,<br>SFMR (Mortgage-Backed<br>Securities Program)<br>(Collateralized: FHLMC, FNMA<br>and GNMA)                                       |                            |                          |                                  |                   |
|   | 5.55                       | 12/1/41                  | 5,565,000                        | 5,768,568         |
| 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                   | 17,210,000 a,b                   | 18,304,212        |
| Glendale Western Loop 101 Public<br>Facilities Corporation, Third<br>Lien Excise Tax Revenue  |                            |                          |                                  |                   |
|   | 6.25                       | 7/1/38                   | 5,000,000                        | 5,178,900         |
| Pima County Industrial Development<br>Authority, Education Revenue<br>(American Charter Schools<br>Foundation Project)  |                            |                          |                                  |                   |
|   | 5.63                       | 7/1/38                   | 3,410,000                        | 2,754,666         |
| Salt Verde Financial Corporation,<br>Senior Gas Revenue   |                            |                          |                                  |                   |
|   | 5.00                       | 12/1/37                  | 500,000                          | 461,880           |
| <b>California--18.0%</b>  |                            |                          |                                  |                   |
| Barclays Capital Municipal Trust<br>Receipts (Los Angeles   |                            |                          |                                  |                   |

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Department of Airports, Senior

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|  |      |         |            |     |            |
|--|------|---------|------------|-----|------------|
| Revenue (Los Angeles International Airport))   | 5.00 | 5/15/31 | 5,247,500  | a,b | 5,693,356  |
| California,  |      |         |            |     |            |
| GO (Various Purpose)   | 5.75 | 4/1/31  | 10,800,000 |     | 12,119,760 |
| California,  |      |         |            |     |            |
| GO (Various Purpose)   | 6.50 | 4/1/33  | 10,000,000 |     | 11,928,200 |
| California,  |      |         |            |     |            |
| GO (Various Purpose)   | 6.00 | 11/1/35 | 7,500,000  |     | 8,546,025  |
| California Statewide Communities Development Authority, Revenue (Bentley School)   | 7.00 | 7/1/40  | 2,090,000  |     | 1,933,313  |
| California Statewide Communities Development Authority, Revenue (Bentley School)   | 0.00 | 7/1/50  | 6,225,000  | c   | 207,604    |
| California Statewide Communities Development Authority, Student Housing Revenue (CHF-Irvine, LLC-UCI East Campus Apartments, Phase II) | 5.75 | 5/15/32 | 2,000,000  |     | 2,072,060  |
| Golden State Tobacco Securitization Corporation, Tobacco Settlement  |      |         |            |     |            |
| Asset-Backed Bonds   | 4.50 | 6/1/27  | 2,000,000  |     | 1,652,380  |
| Golden State Tobacco Securitization Corporation, Tobacco Settlement  |      |         |            |     |            |
| Asset-Backed Bonds   | 5.00 | 6/1/33  | 10,075,000 |     | 7,059,552  |
| Golden State Tobacco Securitization Corporation, Tobacco Settlement  |      |         |            |     |            |
| Asset-Backed Bonds (Prerefunded)   | 7.80 | 6/1/13  | 8,100,000  | d   | 8,942,157  |
| Golden State Tobacco Securitization Corporation, Tobacco Settlement  |      |         |            |     |            |
| Asset-Backed Bonds (Prerefunded)   | 7.90 | 6/1/13  | 2,000,000  | d   | 2,210,640  |

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JPMorgan Chase Putters/Drivers  
Trust (California Educational  
Facilities Authority, Revenue

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|   |      |         |                |            |
|---|------|---------|----------------|------------|
| (University of Southern<br>California))   | 5.25 | 10/1/16 | 10,100,000 a,b | 11,030,412 |
| Sacramento County,<br>Airport System Subordinate and<br>Passenger Facility Charges<br>Grant Revenue   | 6.00 | 7/1/35  | 6,250,000      | 6,801,000  |
| San Buenaventura,<br>Revenue (Community Memorial<br>Health System)  | 7.50 | 12/1/41 | 2,000,000      | 2,158,060  |
| San Diego Public Facilities<br>Financing Authority, Senior<br>Sewer Revenue   | 5.25 | 5/15/34 | 2,500,000      | 2,705,225  |
| Tobacco Securitization Authority<br>of Southern California,<br>Tobacco Settlement<br>Asset-Backed Bonds (San Diego<br>County Tobacco Asset<br>Securitization Corporation) | 5.00 | 6/1/37  | 7,300,000      | 5,161,465  |
| Tuolumne Wind Project Authority,<br>Revenue (Tuolumne Company<br>Project)   | 5.88 | 1/1/29  | 3,500,000      | 3,953,180  |
| <b>Colorado--2.8%</b><br>Beacon Point Metropolitan<br>District, GO  | 6.25 | 12/1/35 | 2,000,000      | 1,909,320  |
| Colorado Educational and Cultural<br>Facilities Authority, Charter<br>School Revenue (American<br>Academy Project)  | 8.00 | 12/1/40 | 3,500,000      | 4,165,315  |
| Colorado Health Facilities<br>Authority, Revenue (Catholic<br>Health Initiatives)   | 5.00 | 2/1/41  | 5,000,000      | 5,137,600  |
| Colorado Housing and Finance<br>Authority, Single Family<br>Program Senior and Subordinate<br>Bonds (Collateralized; FHA)   | 6.60 | 8/1/32  | 960,000        | 1,033,402  |

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|  |      |         |           |   |           |
|--|------|---------|-----------|---|-----------|
| Southlands Metropolitan District<br>Number 1, GO (Prerefunded)   | 7.13 | 12/1/14 | 2,000,000 | d | 2,375,500 |
| <b>Delaware--.9%</b>   |      |         |           |   |           |
| Delaware Economic Development<br>Authority, Exempt Facility  |      |         |           |   |           |
| <hr/>  |      |         |           |   |           |
| Revenue (Indian River Power<br>LLC Project)  | 5.38 | 10/1/45 | 5,000,000 |   | 4,825,400 |
| <b>Florida--7.7%</b>   |      |         |           |   |           |
| Clearwater,<br>Water and Sewer Revenue   | 5.25 | 12/1/39 | 5,000,000 |   | 5,472,000 |
| Florida,<br>Department of Transportation<br>Right-of-Way Acquisition and<br>Bridge Construction Bonds                  | 5.00 | 7/1/24  | 5,000,000 |   | 5,843,200 |
| Greater Orlando Aviation<br>Authority, Airport Facilities<br>Revenue   | 6.25 | 10/1/20 | 8,000,000 |   | 9,766,960 |
| Mid-Bay Bridge Authority,<br>Springing Lien Revenue  | 7.25 | 10/1/34 | 6,000,000 |   | 6,320,460 |
| Orange County School Board,<br>COP (Master Lease Purchase<br>Agreement) (Insured; Assured<br>Guaranty Municipal Corp.) | 5.50 | 8/1/34  | 6,000,000 |   | 6,467,640 |
| Saint Johns County Industrial<br>Development Authority, Revenue<br>(Presbyterian Retirement<br>Communities Project)    | 6.00 | 8/1/45  | 6,500,000 |   | 6,677,190 |
| <b>Georgia--7.7%</b>   |      |         |           |   |           |
| Atlanta,<br>Airport General Revenue  | 5.00 | 1/1/26  | 5,000,000 |   | 5,295,350 |
| Atlanta,<br>Water and Wastewater Revenue   | 6.00 | 11/1/27 | 6,000,000 |   | 7,008,720 |
| Atlanta,<br>Water and Wastewater Revenue<br>(Insured; Assured Guaranty<br>Municipal Corp.)                             | 5.25 | 11/1/34 | 6,000,000 |   | 6,464,340 |
| Brooks County Development<br>Authority, Senior Health and  |      |         |           |   |           |

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|--|------|---------|-----------|-----------|
| Housing Facilities Revenue<br>(Presbyterian Home, Quitman,<br>Inc.) (Collateralized; GNMA)   | 5.70 | 1/20/39 | 4,445,000 | 4,654,004 |
| DeKalb County Hospital Authority,<br>RAC (DeKalb Medical Center,<br>Inc. Project)  | 6.13 | 9/1/40  | 7,765,000 | 8,006,258 |
| Fulton County Development  |      |         |           |           |
| <hr/>  |      |         |           |           |
| Authority, Revenue (Georgia<br>Tech North Avenue Apartments<br>Project) (Insured; XLCA)  | 5.00 | 6/1/32  | 2,300,000 | 2,385,468 |
| Georgia Higher Education<br>Facilities Authority, Revenue<br>(USG Real Estate Foundation I,<br>LLC Project) (Insured; Assured<br>Guaranty Municipal Corp.) | 5.63 | 6/15/38 | 6,000,000 | 6,393,540 |
| <b>Hawaii--9%</b>  |      |         |           |           |
| Hawaii Department of Budget and<br>Finance, Special Purpose<br>Revenue (Hawai'i Pacific<br>Health Obligated Group)   | 5.75 | 7/1/40  | 4,415,000 | 4,557,207 |
| <b>Idaho--1.0%</b>   |      |         |           |           |
| Power County Industrial<br>Development Corporation, SWDR<br>(FMC Corporation Project)  | 6.45 | 8/1/32  | 5,000,000 | 5,004,700 |
| <b>Illinois--5.3%</b>  |      |         |           |           |
| Chicago,<br>General Airport Third Lien<br>Revenue (Chicago O'Hare<br>International Airport)  | 5.63 | 1/1/35  | 5,000,000 | 5,492,200 |
| Chicago,<br>Sales Tax Revenue  | 5.25 | 1/1/38  | 3,500,000 | 3,796,135 |
| Chicago,<br>SFMR (Collateralized: FHLMC,<br>FNMA and GNMA)   | 6.55 | 4/1/33  | 1,510,000 | 1,573,752 |
| Chicago Metropolitan Water<br>Reclamation District, GO<br>Capital Improvement Limited<br>Tax Bonds   | 5.00 | 12/1/32 | 7,500,000 | 8,379,075 |

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|--|------|----------|-----------|-----------|
| Illinois Finance Authority,<br>Recovery Zone Facility Revenue<br>(Navistar International<br>Corporation Project) | 6.50 | 10/15/40 | 4,000,000 | 4,170,160 |
| Railsplitter Tobacco Settlement<br>Authority, Tobacco Settlement<br>Revenue                                      | 6.00 | 6/1/28   | 4,000,000 | 4,317,640 |
| <b>Indiana--.9%</b>  |      |          |           |           |
| Indianapolis Local Public  |      |          |           |           |

|   |      |         |           |           |
|---|------|---------|-----------|-----------|
| Improvement Bond Bank, Revenue<br>(Indianapolis Airport<br>Authority Project) (Insured;<br>AMBAC)   | 5.00 | 1/1/36  | 4,500,000 | 4,513,455 |
| <b>Iowa--.3%</b>  |      |         |           |           |
| Tobacco Settlement Authority of<br>Iowa, Tobacco Settlement<br>Asset-Backed Bonds   | 5.60 | 6/1/34  | 2,000,000 | 1,755,880 |
| <b>Kansas--.2%</b>  |      |         |           |           |
| Sedgwick and Shawnee Counties,<br>SFMR (Mortgage-Backed<br>Securities Program)<br>(Collateralized: FNMA and GNMA)                               | 5.70 | 12/1/35 | 1,060,000 | 1,118,173 |
| <b>Kentucky--.9%</b>  |      |         |           |           |
| Kentucky Area Development<br>Districts Financing Trust, COP<br>(Lease Acquisition Program)  | 5.50 | 5/1/27  | 2,000,000 | 2,100,760 |
| Louisville/Jefferson County Metro<br>Government, Health Facilities<br>Revenue (Jewish Hospital and<br>Saint Mary's HealthCare, Inc.<br>Project) | 6.13 | 2/1/37  | 2,300,000 | 2,393,242 |
| <b>Louisiana--2.2%</b>  |      |         |           |           |
| Jefferson Parish Hospital Service<br>District Number 2, HR (East<br>Jefferson General Hospital)   | 6.25 | 7/1/31  | 3,000,000 | 3,132,090 |
| Lakeshore Villages Master<br>Community Development<br>District, Special Assessment  |      |         |           |           |



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|---|------|---------|----------------|------------|
| Revenue   | 5.25 | 7/1/17  | 2,979,000 e    | 1,191,153  |
| Louisiana Local Government<br>Environmental Facilities and<br>Community Development<br>Authority, Revenue (Westlake<br>Chemical Corporation Projects)                       | 6.75 | 11/1/32 | 7,000,000      | 7,404,250  |
| <b>Maine--.6%</b>   |      |         |                |            |
| Maine Health and Higher<br>Educational Facilities<br>Authority, Revenue<br>(MaineGeneral Medical Center   |      |         |                |            |
| <hr/>   |      |         |                |            |
| Issue)  | 7.50 | 7/1/32  | 3,000,000      | 3,336,120  |
| <b>Maryland--1.2%</b>   |      |         |                |            |
| Maryland Economic Development<br>Corporation, Senior Student<br>Housing Revenue (University of<br>Maryland, Baltimore Project)  | 5.75 | 10/1/33 | 4,590,000      | 3,054,783  |
| Maryland Economic Development<br>Corporation, Student Housing<br>Revenue (University of<br>Maryland, College Park<br>Project) (Prerefunded)                                 | 6.50 | 6/1/13  | 3,000,000 d    | 3,262,710  |
| <b>Massachusetts--10.5%</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  | 13,110,000 a,b | 14,504,511 |
| JPMorgan Chase Putters/Drivers<br>Trust (Massachusetts,<br>Consolidated Loan)   | 5.00 | 4/1/19  | 8,600,000 a,b  | 10,014,356 |
| 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 | 11,652,100 |
| Massachusetts Development Finance   |      |         |                |            |

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|---|------|----------|-------------|-----------|
| Agency, Revenue (Partners<br>HealthCare System Issue)<br>Massachusetts Health and<br>Educational Facilities<br>Authority, Revenue (Civic<br>Investments Issue)<br>(Prerefunded)   | 5.00 | 7/1/36   | 5,000,000   | 5,264,700 |
| Massachusetts Health and<br>Educational Facilities<br>Authority, Revenue (Partners<br>HealthCare System Issue)<br>Massachusetts Health and<br>Educational Facilities<br>Authority, Revenue (Suffolk<br>University Issue)  | 9.00 | 12/15/12 | 1,200,000 d | 1,308,576 |
| Massachusetts Industrial Finance<br>Agency, RRR (Ogden Haverhill<br>Project)  | 5.75 | 7/1/32   | 185,000     | 186,434   |
| <b>Michigan--10.3%</b><br>Charyl Stockwell Academy,<br>COP<br>Detroit,<br>Sewage Disposal System Senior<br>Lien Revenue (Insured; Assured<br>Guaranty Municipal Corp.)<br>Detroit,<br>Sewage Disposal System Senior<br>Lien Revenue (Insured; Assured<br>Guaranty Municipal Corp.)<br>Detroit School District,<br>School Building and Site<br>Improvement Bonds (GO -<br>Unlimited Tax) (Insured; FGIC) | 6.25 | 7/1/30   | 5,500,000   | 5,997,475 |
| Kent Hospital Finance Authority,<br>Revenue (Metropolitan Hospital<br>Project)  | 5.60 | 12/1/19  | 6,000,000   | 6,019,740 |
| Kent Hospital Finance Authority,<br>Revenue (Metropolitan Hospital<br>Project)  | 5.90 | 10/1/35  | 2,580,000   | 2,100,662 |
| Kent Hospital Finance Authority,<br>Revenue (Metropolitan Hospital<br>Project)  | 7.00 | 7/1/27   | 2,500,000   | 2,997,225 |
| Kent Hospital Finance Authority,<br>Revenue (Metropolitan Hospital<br>Project)  | 7.50 | 7/1/33   | 5,700,000   | 6,938,781 |
| Kent Hospital Finance Authority,<br>Revenue (Metropolitan Hospital<br>Project)  | 5.00 | 5/1/28   | 3,930,000   | 3,968,435 |
| Kent Hospital Finance Authority,<br>Revenue (Metropolitan Hospital<br>Project)  | 6.00 | 7/1/35   | 2,930,000   | 2,836,885 |

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|  |      |          |            |            |
|--|------|----------|------------|------------|
| Project)   | 6.25 | 7/1/40   | 3,000,000  | 2,970,450  |
| Michigan Hospital Finance Authority, HR (Henry Ford Health System)   | 5.63 | 11/15/29 | 5,000,000  | 5,286,050  |
| Michigan Strategic Fund, LOR (The Detroit Edison Company Exempt Facilities Project) (Insured; XLCA)                          | 5.25 | 12/15/32 | 3,000,000  | 3,019,800  |
| Michigan Strategic Fund, SWDR (Genesee Power Station Project)  | 7.50 | 1/1/21   | 11,100,000 | 10,597,170 |
| Royal Oak Hospital Finance Authority, HR (William Beaumont Hospital Obligated Group)   | 8.25 | 9/1/39   | 5,500,000  | 6,604,510  |
| Wayne County Airport Authority,  |      |          |            |            |
| <hr/>  |      |          |            |            |
| Airport Revenue (Detroit Metropolitan Wayne County Airport) (Insured; National Public Finance Guarantee Corp.)               | 5.00 | 12/1/34  | 7,000,000  | 6,882,470  |
| <b>Minnesota--3.0%</b>   |      |          |            |            |
| Dakota County Community Development Agency, SFMR (Mortgage-Backed Securities Program) (Collateralized: FHLMC, FNMA and GNMA) | 5.15 | 12/1/38  | 1,373,303  | 1,422,756  |
| Dakota County Community Development Agency, SFMR (Mortgage-Backed Securities Program) (Collateralized: FHLMC, FNMA and GNMA) | 5.30 | 12/1/39  | 1,520,716  | 1,622,573  |
| Minneapolis, Health Care System Revenue (Fairview Health Services) (Insured; Assured Guaranty Municipal Corp.)               | 6.50 | 11/15/38 | 5,000,000  | 5,701,050  |
| North Oaks, Senior Housing Revenue   |      |          |            |            |

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|---|------|----------|-------------|-----------|
| (Presbyterian Homes of North Oaks, Inc. Project)  | 6.25 | 10/1/47  | 1,265,000   | 1,274,551 |
| Saint Paul Housing and Redevelopment Authority, Hospital Facility Revenue (HealthEast Project)                  | 5.15 | 11/15/20 | 3,310,000   | 3,320,162 |
| Winona, Health Care Facilities Revenue (Winona Health Obligated Group)  | 6.00 | 7/1/26   | 2,500,000   | 2,558,425 |
| <b>Mississippi--3.3%</b>  |      |          |             |           |
| Clairborne County, PCR (System Energy Resources, Inc. Project)  | 6.20 | 2/1/26   | 2,525,000   | 2,526,439 |
| Mississippi Business Finance Corporation, PCR (System Energy Resources, Inc. Project)                           | 5.88 | 4/1/22   | 9,310,000   | 9,353,757 |
| Mississippi Development Bank, Special Obligation Revenue (Magnolia Regional Health                              |      |          |             |           |
| <hr/>   |      |          |             |           |
| Center Project)   | 6.50 | 10/1/31  | 5,000,000   | 5,402,400 |
| <b>Missouri--1.7%</b>   |      |          |             |           |
| Missouri Development Finance Board, Infrastructure Facilities Revenue (Branson Landing Project) (Prerefunded)   | 5.38 | 12/1/12  | 2,000,000 d | 2,093,080 |
| Missouri Development Finance Board, Infrastructure Facilities Revenue (Branson Landing Project) (Prerefunded)   | 5.50 | 12/1/12  | 4,500,000 d | 4,714,605 |
| Missouri Development Finance Board, Infrastructure Facilities Revenue (Independence, Crackerneck Creek Project) | 5.00 | 3/1/28   | 2,000,000   | 2,003,220 |
| <b>Montana--0%</b>  |      |          |             |           |
| Montana Board of Housing, SFMR  | 6.45 | 6/1/29   | 245,000     | 249,444   |
| <b>Nevada--1.0%</b>   |      |          |             |           |

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|--|------|---------|-----------|-----------|
| Clark County,<br>Passenger Facility Charge<br>Revenue (Las Vegas-McCarran<br>International Airport)        | 5.00 | 7/1/30  | 5,000,000 | 5,274,700 |
| <b>New Hampshire--1.3%</b>   |      |         |           |           |
| New Hampshire Health and<br>Educational Facilities<br>Authority, Revenue (Exeter<br>Project)               | 6.00 | 10/1/24 | 1,000,000 | 1,011,870 |
| New Hampshire Health and<br>Educational Facilities<br>Authority, Revenue (Exeter<br>Project)               | 5.75 | 10/1/31 | 1,000,000 | 1,011,200 |
| New Hampshire Industrial<br>Development Authority, PCR<br>(Connecticut Light and Power<br>Company Project) | 5.90 | 11/1/16 | 5,000,000 | 5,011,500 |
| <b>New Jersey--4.0%</b>  |      |         |           |           |
| New Jersey Economic Development<br>Authority, Cigarette Tax<br>Revenue                                     | 5.75 | 6/15/34 | 5,500,000 | 5,634,420 |

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|  |      |        |           |             |
|--|------|--------|-----------|-------------|
| New Jersey Higher Education<br>Student Assistance Authority,<br>Student Loan Revenue (Insured;<br>Assured Guaranty Municipal<br>Corp.) | 6.13 | 6/1/30 | 5,000,000 | 5,309,600   |
| Tobacco Settlement Financing<br>Corporation of New Jersey,<br>Tobacco Settlement<br>Asset-Backed Bonds                                 | 5.00 | 6/1/29 | 5,000,000 | 3,957,350   |
| Tobacco Settlement Financing<br>Corporation of New Jersey,<br>Tobacco Settlement<br>Asset-Backed Bonds<br>(Prerefunded)                | 7.00 | 6/1/13 | 5,640,000 | d 6,179,522 |
| <b>New Mexico--1.5%</b>  |      |        |           |             |
| Farmington,<br>PCR (Public Service Company of  |      |        |           |             |

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|--|------|---------|----------------|------------|
| New Mexico San Juan Project)   | 5.90 | 6/1/40  | 7,000,000      | 7,219,100  |
| New Mexico Mortgage Finance Authority, Single Family Mortgage Program Revenue (Collateralized: FHLMC, FNMA and GNMA)                                       | 6.15 | 7/1/35  | 705,000        | 751,311    |
| <b>New York--9.2%</b>  |      |         |                |            |
| Barclays Capital Municipal Trust Receipts (New York City Municipal Water Finance Authority, Water and Sewer System General Resolution Revenue)             | 5.00 | 6/15/39 | 20,000,000 a,b | 21,404,800 |
| Barclays Capital Municipal Trust Receipts (New York City Transitional Finance Authority, Future Tax Secured Subordinate Revenue)                           | 5.50 | 11/1/27 | 5,000,000 a,b  | 5,987,300  |
| 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  | 5,958,450  |
| <hr/>  |      |         |                |            |
| Construction Fund, Revenue New York City Industrial Development Agency, PILOT Revenue (Yankee Stadium Project) (Insured; Assured Guaranty Municipal Corp.) | 6.50 | 4/1/27  | 4,490,000      | 5,560,596  |
| New York State Dormitory Authority, Revenue (Orange Regional Medical Center Obligated Group)   | 6.13 | 12/1/29 | 1,625,000      | 1,641,477  |
| Port Authority of New York and New Jersey, Special Project Bonds (JFK International Air Terminal LLC Project)  | 6.00 | 12/1/36 | 2,000,000      | 2,108,420  |

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**Ohio--5.0%**

|  |      |         |             |           |
|--|------|---------|-------------|-----------|
| Buckeye Tobacco Settlement<br>Financing Authority, Tobacco<br>Settlement Asset-Backed Bonds  | 5.88 | 6/1/30  | 3,000,000   | 2,227,440 |
| Buckeye Tobacco Settlement<br>Financing Authority, Tobacco<br>Settlement Asset-Backed Bonds  | 5.88 | 6/1/47  | 2,300,000   | 1,654,712 |
| Butler County,<br>Hospital Facilities Revenue<br>(UC Health)   | 5.50 | 11/1/40 | 3,500,000   | 3,517,955 |
| Canal Winchester Local School<br>District, School Facilities<br>Construction and Improvement<br>and Advance Refunding Bonds<br>(GO - Unlimited Tax) (Insured;<br>National Public Finance<br>Guarantee Corp.) | 0.00 | 12/1/29 | 3,955,000 c | 1,696,102 |
| Canal Winchester Local School<br>District, School Facilities<br>Construction and Improvement<br>and Advance Refunding Bonds<br>(GO - Unlimited Tax) (Insured;<br>National Public Finance<br>Guarantee Corp.) | 0.00 | 12/1/31 | 3,955,000 c | 1,491,826 |
| Ohio Air Quality Development<br>Authority, Air Quality Revenue<br>(Ohio Valley Electric<br>Corporation Project)  | 5.63 | 10/1/19 | 5,900,000   | 6,583,279 |
| 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  | 3,000,000 b | 2,290,410 |
| Toledo Lucas County Port<br>Authority, Airport Revenue<br>(Baxter Global Project)  | 6.25 | 11/1/13 | 1,800,000   | 1,795,500 |
| Toledo-Lucas County Port<br>Authority, Special Assessment  |      |         |             |           |

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|   |      |         |                |            |
|---|------|---------|----------------|------------|
| Revenue (Crocker Park Public Improvement Project)   | 5.38 | 12/1/35 | 5,000,000      | 4,757,700  |
| <b>Oregon--.6%</b>  |      |         |                |            |
| Warm Springs Reservation Confederated Tribes, Hydroelectric Revenue (Pelton Round Butte Project)  | 6.38 | 11/1/33 | 3,300,000      | 3,391,905  |
| <b>Pennsylvania--2.3%</b>   |      |         |                |            |
| Delaware County Industrial Development Authority, Charter School Revenue (Chester Community Charter School Project)   | 6.13 | 8/15/40 | 5,000,000      | 4,738,700  |
| JPMorgan Chase Putters/Drivers Trust (Geisinger Authority, Health System Revenue (Geisinger Health System))   | 5.13 | 6/1/35  | 3,000,000 a,b  | 3,164,940  |
| Philadelphia, GO  | 6.50 | 8/1/41  | 3,550,000      | 4,145,867  |
| <b>Rhode Island--1.1%</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      | 5,753,450  |
| <b>South Carolina--4.2%</b>   |      |         |                |            |
| Barclays Capital Municipal Trust  |      |         |                |            |
| <hr/>   |      |         |                |            |
| Receipts (Columbia, Waterworks and Sewer System Revenue)  | 5.00 | 2/1/40  | 10,000,000 a,b | 10,941,300 |
| South Carolina Public Service Authority, Revenue Obligations  | 5.50 | 1/1/38  | 10,000,000     | 11,059,300 |
| <b>Tennessee--3.5%</b>  |      |         |                |            |
| Barclays Capital Municipal Trust Receipts (Rutherford County Health and Educational Facilities Board, Revenue   |      |         |                |            |



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|  |      |          |                |            |
|--|------|----------|----------------|------------|
| (Ascension Health Senior Credit Group))  | 5.00 | 11/15/40 | 10,000,000 a,b | 10,514,100 |
| Metropolitan Government of Nashville and Davidson County Health and Educational Facilities Board, Revenue (The Vanderbilt University)                          | 5.50 | 10/1/34  | 7,000,000      | 7,955,710  |
| <b>Texas--11.7%</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  | 8,510,000 a,b  | 9,159,526  |
| Dallas and Fort Worth, Joint Revenue (Dallas/Fort Worth International Airport) (Insured; National Public Finance Guarantee Corp.)                              | 6.25 | 11/1/28  | 2,540,000      | 2,550,084  |
| Dallas Area Rapid Transit, Senior Lien Sales Tax Revenue   | 5.25 | 12/1/48  | 10,000,000     | 10,667,800 |
| Harris County Health Facilities Development Corporation, HR (Memorial Hermann Healthcare System)   | 7.25 | 12/1/35  | 2,000,000      | 2,298,820  |
| Houston, Combined Utility System First Lien Revenue (Insured; Assured Guaranty Municipal Corp.)  | 6.00 | 11/15/36 | 5,000,000      | 5,762,200  |
| North Texas Tollway Authority, First Tier System Revenue (Insured; Assured Guaranty Municipal Corp.)   | 5.75 | 1/1/40   | 10,300,000     | 11,136,463 |
| North Texas Tollway Authority, Second Tier System Revenue  | 5.75 | 1/1/38   | 5,500,000      | 5,824,060  |
| Sam Rayburn Municipal Power Agency, Power Supply System Revenue  | 5.75 | 10/1/21  | 6,000,000      | 6,109,500  |

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|  |       |         |                |            |
|--|-------|---------|----------------|------------|
| Texas Department of Housing and<br>Community Affairs, Home<br>Mortgage Revenue<br>(Collateralized: FHLMC, FNMA<br>and GNMA)                              | 13.27 | 7/2/24  | 550,000 f      | 602,250    |
| Texas Turnpike Authority,<br>Central Texas Turnpike System<br>Revenue (Insured; AMBAC)   | 5.75  | 8/15/38 | 7,100,000      | 7,133,015  |
| <b>Vermont--1%</b>   |       |         |                |            |
| Vermont Housing Finance Agency,<br>SFHR (Insured; Assured<br>Guaranty Municipal Corp.)   | 6.40  | 11/1/30 | 425,000        | 433,933    |
| <b>Virginia--2.0%</b>  |       |         |                |            |
| Barclays Capital Municipal Trust<br>Receipts (Virginia Small<br>Business Financing Authority,<br>Health Care Facilities Revenue<br>(Sentara Healthcare)) | 5.00  | 11/1/40 | 10,000,000 a,b | 10,417,900 |
| <b>Washington--4.8%</b>  |       |         |                |            |
| Barclays Capital Municipal Trust<br>Receipts (King County, Limited<br>Tax GO (Payable from Sewer<br>Revenues))   | 5.13  | 1/1/33  | 10,000,000 a,b | 10,928,800 |
| Barclays Capital Municipal Trust<br>Receipts (King County, Sewer<br>Revenue)   | 5.00  | 1/1/29  | 3,998,716 a,b  | 4,542,776  |
| Washington Health Care Facilities<br>Authority, Mortgage Revenue<br>(Highline Medical Center)<br>(Collateralized; FHA)                                   | 6.25  | 8/1/36  | 5,975,000      | 6,781,565  |
| Washington Higher Education<br>Facilities Authority, Revenue<br>(Seattle University Project)<br>(Insured; AMBAC)   | 5.25  | 11/1/37 | 3,000,000      | 3,147,900  |

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Washington Housing Finance  
Commission, Revenue  
(Single-Family Program)  
(Collateralized: FHLMC, FNMA

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|   |      |          |              |            |
|---|------|----------|--------------|------------|
| and GNMA)   | 5.15 | 6/1/37   | 5,000        | 5,043      |
| <b>West Virginia--.8%</b>   |      |          |              |            |
| The County Commission of Harrison<br>County, SWDR (Allegheny Energy<br>Supply Company, LLC Harrison<br>Station Project) | 5.50 | 10/15/37 | 2,000,000    | 2,009,660  |
| West Virginia Water Development<br>Authority, Water Development<br>Revenue (Insured; AMBAC)                             | 6.38 | 7/1/39   | 2,250,000    | 2,284,695  |
| <b>Wisconsin--3.9%</b>  |      |          |              |            |
| Badger Tobacco Asset<br>Securitization Corporation,<br>Tobacco Settlement<br>Asset-Backed Bonds<br>(Prerefunded)        | 6.13 | 6/1/12   | 2,795,000 d  | 2,863,925  |
| Badger Tobacco Asset<br>Securitization Corporation,<br>Tobacco Settlement<br>Asset-Backed Bonds<br>(Prerefunded)        | 7.00 | 6/1/12   | 12,995,000 d | 13,362,499 |
| Madison,<br>IDR (Madison Gas and Electric<br>Company Projects)  | 5.88 | 10/1/34  | 2,390,000    | 2,397,122  |
| Wisconsin Health and Educational<br>Facilities Authority, Revenue<br>(Aurora Health Care, Inc.)                         | 6.40 | 4/15/33  | 2,000,000    | 2,043,340  |
| <b>Wyoming--1.0%</b>  |      |          |              |            |
| Wyoming Municipal Power Agency,<br>Power Supply System Revenue  | 5.50 | 1/1/33   | 2,360,000    | 2,540,092  |
| Wyoming Municipal Power Agency,<br>Power Supply System Revenue  | 5.38 | 1/1/42   | 2,750,000    | 2,917,640  |
| <b>U.S. Related--6.5%</b>   |      |          |              |            |
| Guam,<br>LOR (Section 30)<br>Guam Housing Corporation,<br>SFMR (Guaranteed  | 5.75 | 12/1/34  | 2,000,000    | 2,069,920  |

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Mortgage-Backed Securities  
Program) (Collateralized;

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|  |                            |                          |                                  |                    |
|--|----------------------------|--------------------------|----------------------------------|--------------------|
| FHLMC)   | 5.75                       | 9/1/31                   | 965,000                          | 1,092,052          |
| Guam Waterworks Authority,<br>Water and Wastewater System<br>Revenue   | 5.63                       | 7/1/40                   | 2,000,000                        | 1,923,220          |
| Puerto Rico Commonwealth,<br>Public Improvement GO   | 5.50                       | 7/1/32                   | 2,000,000                        | 2,058,840          |
| Puerto Rico Commonwealth,<br>Public Improvement GO   | 6.00                       | 7/1/39                   | 1,610,000                        | 1,711,253          |
| Puerto Rico Commonwealth,<br>Public Improvement GO   | 6.50                       | 7/1/40                   | 2,390,000                        | 2,694,223          |
| Puerto Rico Electric Power<br>Authority, Power Revenue   | 5.25                       | 7/1/40                   | 2,500,000                        | 2,571,625          |
| Puerto Rico Sales Tax Financing<br>Corporation, Sales Tax Revenue<br>(First Subordinate Series)                                  | 5.38                       | 8/1/38                   | 5,000,000                        | 5,295,750          |
| Puerto Rico Sales Tax Financing<br>Corporation, Sales Tax Revenue<br>(First Subordinate Series)                                  | 5.38                       | 8/1/39                   | 2,500,000                        | 2,639,000          |
| Puerto Rico Sales Tax Financing<br>Corporation, Sales Tax Revenue<br>(First Subordinate Series)                                  | 6.00                       | 8/1/42                   | 11,000,000                       | 12,068,540         |
| <b>Total Long-Term Municipal<br/>Investments</b><br>(cost \$747,527,079)   |                            |                          |                                  | <b>791,471,572</b> |
| <b>Short-Term Municipal<br/>Investments--3.7%</b>  | <b>Coupon<br/>Rate (%)</b> | <b>Maturity<br/>Date</b> | <b>Principal<br/>Amount (\$)</b> | <b>Value (\$)</b>  |
| <b>California--1.6%</b><br>California,<br>Economic Recovery Bonds (LOC;<br>JPMorgan Chase Bank)                                  | 0.04                       | 1/1/12                   | 2,000,000 g                      | 2,000,000          |
| California,<br>GO Notes<br>(Kindergarten-University)<br>(LOC: California State<br>Teachers Retirement System and<br>Citibank NA) | 0.05                       | 1/1/12                   | 5,800,000 g                      | 5,800,000          |
| Irvine Assessment District Number<br>89-10 (LOC: California State<br>Teachers Retirement System and                              |                            |                          |                                  |                    |

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|  |      |        |                 |   |                      |
|--|------|--------|-----------------|---|----------------------|
| State Street Bank and Trust<br>Co.)                      | 0.09 | 1/1/12 | 715,000         | g | 715,000              |
| <b>New York--2.1%</b>                                    |      |        |                 |   |                      |
| New York City,<br>GO Notes (LOC; JPMorgan Chase<br>Bank) | 0.05 | 1/1/12 | 3,400,000       | g | 3,400,000            |
| New York City,<br>GO Notes (LOC; JPMorgan Chase<br>Bank) | 0.08 | 1/1/12 | 4,600,000       | g | 4,600,000            |
| New York City,<br>GO Notes (LOC; JPMorgan Chase<br>Bank) | 0.08 | 1/1/12 | 2,800,000       | g | 2,800,000            |
| <b>Total Short-Term Municipal Investments</b>            |      |        |                 |   |                      |
| (cost \$19,315,000)                                      |      |        |                 |   | <b>19,315,000</b>    |
| <b>Total Investments</b> (cost \$766,842,079)            |      |        | <b>154.4 %</b>  |   | <b>810,786,572</b>   |
| <b>Liabilities, Less Cash and Receivables</b>            |      |        | <b>(13.7 %)</b> |   | <b>(71,755,345)</b>  |
| <b>Preferred Stock, at redemption value</b>              |      |        | <b>(40.7 %)</b> |   | <b>(213,750,000)</b> |
| <b>Net Assets Applicable to Common<br/>Shareholders</b>  |      |        | <b>100.0 %</b>  |   | <b>525,281,227</b>   |

- a Collateral for floating rate borrowings.
- b Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2011, these securities were valued at \$166,509,249 or 31.7% of net assets applicable to Common Shareholders.
- c Security issued with a zero coupon. Income is recognized through the accretion of discount.
- d 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.
- e Non-income producing security; interest payments in default.
- f Inverse floater security--the interest rate is subject to change periodically. Rate shown is the interest rate in effect at December 31, 2011.
- g Variable rate demand note - rate shown is the interest rate in effect at December 31, 2011. Maturity date represents the next demand date, or the ultimate maturity date if earlier.

At December 31, 2011, the aggregate cost of investment securities for income tax purposes was \$766,842,079. Net unrealized appreciation on investments was \$43,944,493 of which \$51,313,953 related to appreciated investment securities and \$7,369,460 related to depreciated investment securities.

Summary of Abbreviations

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

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|              |  |                |                                       |
|--------------|--|----------------|---------------------------------------|
| <b>CIFG</b>  | CDC Ixis Financial Guaranty              | <b>COP</b>     | Certificate of Participation          |
| <b>CP</b>    | Commercial Paper                         | <b>EDR</b>     | Economic Development Revenue          |
| <b>EIR</b>   | Environmental Improvement Revenue        | <b>FGIC</b>    | Financial Guaranty Insurance Company  |
| <b>FHA</b>   | Federal Housing Administration           | <b>FHLB</b>    | Federal Home Loan Bank                |
| <b>FHLMC</b> | Federal Home Loan Mortgage Corporation   | <b>FNMA</b>    | Federal National Mortgage Association |
| <b>GAN</b>   | Grant Anticipation Notes                 | <b>GIC</b>     | Guaranteed Investment Contract        |
| <b>GNMA</b>  | Government National Mortgage Association | <b>GO</b>      | General Obligation                    |
| <b>HR</b>    | Hospital Revenue                         | <b>IDB</b>     | Industrial Development Board          |
| <b>IDC</b>   | Industrial Development Corporation       | <b>IDR</b>     | Industrial Development Revenue        |
| <b>LOC</b>   | Letter of Credit                         | <b>LOR</b>     | Limited Obligation Revenue            |
| <b>LR</b>    | Lease Revenue                            | <b>MFHR</b>    | Multi-Family Housing Revenue          |
| <b>MFMR</b>  | Multi-Family Mortgage Revenue            | <b>PCR</b>     | Pollution Control Revenue             |
| <b>PILOT</b> | Payment in Lieu of Taxes                 | <b>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>RRR</b>     | Resources Recovery Revenue            |
| <b>SAAN</b>  | State Aid Anticipation Notes             | <b>SBPA</b>    | Standby Bond Purchase Agreement       |

|               |                                    |             |                                |
|---------------|------------------------------------|-------------|--------------------------------|
| <b>SFHR</b>   | Single Family Housing Revenue      | <b>SFMR</b> | Single Family Mortgage Revenue |
| <b>SONYMA</b> | State of New York Mortgage Agency  | <b>SWDR</b> | Solid Waste Disposal Revenue   |
| <b>TAN</b>    | Tax Anticipation Notes             | <b>TAW</b>  | Tax Anticipation Warrants      |
| <b>TRAN</b>   | Tax and Revenue Anticipation Notes | <b>XLCA</b> | XL Capital Assurance           |

The following is a summary of the inputs used as of December 31, 2011 in valuing the fund's investments:

|                            | <b>Level 1 - Unadjusted</b> | <b>Level 2 - Other</b>   | <b>Level 3 -</b>    |                    |
|----------------------------|-----------------------------|--------------------------|---------------------|--------------------|
|                            | <b>Quoted Prices</b>        | <b>Significant</b>       | <b>Significant</b>  |                    |
| <b>Assets (\$)</b>         |                             | <b>Observable Inputs</b> | <b>Unobservable</b> | <b>Total</b>       |
|                            |                             |                          | <b>Inputs</b>       |                    |
| Investments in Securities: |                             |                          |                     |                    |
| Municipal Bonds            | -                           | 810,786,572              | -                   | <b>810,786,572</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.

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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

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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: 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.

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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 Municipals, Inc.

By: /s/Bradley J. Skapyak  
Bradley J. Skapyak

President

Date: February 23, 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: February 23, 2012

By: /s/James Windels  
James Windels

Treasurer

Date: February 23, 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)