

DREYFUS STRATEGIC MUNICIPALS INC
Form N-CSR
November 29, 2007
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES

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)

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

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

Date of fiscal year end: 09/30

Date of reporting period: 09/30/07

FORM N-CSR

Item 1. Reports to Stockholders.

Dreyfus Strategic Municipals, Inc.

Protecting Your Privacy
Our Pledge to You

THE FUND IS COMMITTED TO YOUR PRIVACY. On this page, you will find the Fund's policies and practices for collecting, disclosing, and safeguarding nonpublic personal information, which may include financial or other customer information. These policies apply to individuals who purchase Fund shares for personal, family, or household purposes, or have done so in the past. This notification replaces all previous statements of the Fund's consumer privacy policy, and may be amended at any time. We'll keep you informed of changes as required by law.

YOUR ACCOUNT IS PROVIDED IN A SECURE ENVIRONMENT. The Fund maintains physical, electronic and procedural safeguards that comply with federal regulations to guard nonpublic personal information. The Fund's agents and service providers have limited access to customer information based on their role in servicing your account.

THE FUND COLLECTS INFORMATION IN ORDER TO SERVICE AND ADMINISTER YOUR ACCOUNT.

The Fund collects a variety of nonpublic personal information, which may include:

- Information we receive from you, such as your name, address, and social security number.
- Information about your transactions with us, such as the purchase or sale of Fund shares.
- Information we receive from agents and service providers, such as proxy voting information.

THE FUND DOES NOT SHARE NONPUBLIC PERSONAL INFORMATION WITH ANYONE, EXCEPT AS PERMITTED BY LAW.

Thank you for this opportunity to serve you.

The views expressed in this report reflect those of the portfolio manager only through the end of the period covered and do not necessarily represent the views of Dreyfus or any other person in the Dreyfus organization. Any such views are subject to change at any time based upon market or other conditions and Dreyfus disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Dreyfus fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Dreyfus fund.

Not FDIC-Insured ☐ Not Bank-Guaranteed ☐ May Lose Value

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The Fund

**Dreyfus
Strategic Municipals, Inc.**

A LETTER FROM THE CEO

Dear Shareholder:

We are pleased to present this annual report for Dreyfus Strategic Municipals, Inc., covering the 12-month period from October 1, 2006, through September 30, 2007.

After an extended period of relative stability, fixed-income markets encountered heightened volatility during the reporting period as the credit cycle appeared to shift to a new phase. Turmoil in the U.S. sub-prime mortgage sector that began in late February spread to other areas of the economy over the summer, causing investors to reassess their attitudes toward risk. The ensuing "flight to quality" caused bond prices to fall sharply in the market's more credit-sensitive areas. While we saw no overall change in the underlying credit fundamentals of municipal bonds, the tax-exempt market was nonetheless affected by liquidity concerns. To help restore liquidity, the Federal Reserve Board cut key short-term interest rates in August and September. Investors reacted favorably to the Fed's moves, and municipal bond prices began to rebound.

We believe that these developments have created opportunities to purchase municipal bonds at more attractive prices and yields than have been available for some time. Since each investor's situation is unique, we encourage you to talk about these investment matters with your financial advisor, who can help you make the right adjustments for your portfolio.

For information about how the fund performed during the reporting period, as well as market perspectives, we have provided a Discussion of Fund Performance given by the fund's Portfolio Manager.

Thank you for your continued confidence and support.

Thomas F. Eggers
Chief Executive Officer
The Dreyfus Corporation
October 15, 2007

DISCUSSION OF FUND PERFORMANCE

For the period of October 1, 2006, through September 30, 2007, as provided by W. Michael Petty, Senior Portfolio Manager

Fund and Market Performance Overview

After trading within a relatively finite range for most of the reporting period, a liquidity crisis over the summer of 2007 led to sharp declines in the municipal bond market. However, bond prices rebounded somewhat in late August and September, enabling the market to post a positive absolute return for the reporting period overall. The fund's performance was driven primarily by its focus on investment-grade, income-oriented securities, which generally held up better during the downturn than other types of tax-exempt bonds.

For the 12-month period ended September 30, 2007, Dreyfus Strategic Municipals achieved a total return of 1.62% (on a net asset value basis).¹ During the same period, the fund provided income dividends of \$0.50 per share, which is equal to a distribution rate of 5.77%.²

The Fund's Investment Approach

The fund's investment objective is to maximize current income exempt from federal income tax to the extent consistent with the preservation of capital. Under normal market conditions, the fund invests at least 80% of its net assets in municipal obligations. Generally, the fund invests at least 50% of its net assets in municipal bonds considered investment grade or the unrated equivalent as determined by Dreyfus in the case of bonds, and in the two highest-rating categories or the unrated equivalent as determined by Dreyfus in the case of short-term obligations having or deemed to have maturities of less than one year.

To this end, we have constructed a portfolio derived from seeking income opportunities through analysis of each bond's structure, including paying close attention to each bond's yield, maturity and early redemption features.

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DISCUSSION OF FUND PERFORMANCE *(continued)*

Over time, many of the fund's relatively higher-yielding bonds mature or are redeemed by their issuers, and we generally attempt to replace those bonds, as opportunities arise, with investments consistent with the fund's investment policies. When we believe an opportunity exists, we also may seek to upgrade the portfolio's investments with newly issued bonds that, in our opinion, have better structural or income characteristics than existing holdings.

A Strong Market Rebound Offset Previous Declines

A moderate economic slowdown, mild inflation and stable short-term interest rates helped keep municipal bond prices within a relatively narrow range over the first eight months of the reporting period. Municipal bond prices also were supported by robust investor demand and sound fiscal conditions for most states and municipalities. However, market conditions changed dramatically over the summer of 2007, when turmoil in the sub-prime mortgage sector of the taxable bond market spread to other fixed-income sectors. Although we saw no evidence of credit deterioration among municipal bond issuers, the tax-exempt market was affected by selling pressure from highly leveraged hedge funds and other institutional investors, which needed to raise cash for redemption requests and margin calls. In the immediate aftermath of the summertime decline, tax-exempt bonds traded at their highest yield levels in more than three years.

Bouts of reduced ready liquidity throughout the U.S. bond market prompted the Federal Reserve Board (the "Fed") to cut both the discount rate and the federal funds rate late in the reporting period, the first reductions in short-term rates in more than four years. On average, the municipal bond market responded favorably to the Fed's actions, sparking a rally that, by the reporting period's end, erased some, but not all, of its earlier losses. However, the rally was less pronounced at the longer end of the tax-exempt market's maturity spectrum, where the fund primarily focuses.

A Focus on Income Bolstered Fund Performance

Our security selection strategy primarily emphasized income-oriented bonds, including those selling at modest premiums to their face values. These "cushion" bonds helped shelter the fund from the full brunt of the market's summertime decline. In addition, because many of these bonds include provisions for early redemption, the fund's average duration was shorter than industry averages, which also helped protect the fund from heightened market volatility. On the other hand, the fund's leveraging strategy during the reporting period proved to be less effective than usual, primarily due to historically narrow yield differences between auction rate preferred stock and long-term municipal bonds.

Maintaining a Conservative Investment Posture

In our view, ongoing market volatility may provide opportunities to purchase long-term municipal bonds at relatively attractive prices. Still, we generally have retained a relatively defensive investment posture, including an emphasis on long-term, income-oriented bonds from issuers that have demonstrated good quality and liquidity characteristics. We also have maintained rigorous credit standards, and our credit analysts help ensure that candidates for investment contain certain covenants designed to protect bondholders. In our view, these are prudent strategies in today's changing economic and market environments.

October 15, 2007

- ¹ *Total return includes reinvestment of dividends and any capital gains paid, based upon net asset value per share. Past performance is no guarantee of future results. Market price per share, net asset value per share and investment return fluctuate. Income may be subject to state and local taxes, and some income may be subject to the federal alternative minimum tax (AMT) for certain investors. Capital gains, if any, are fully taxable. Return figure provided reflects the absorption of certain fund expenses by The Dreyfus Corporation pursuant to an agreement in effect until October 31, 2007, at which time it may be extended, modified or terminated. Had these expenses not been absorbed, the fund's return would have been lower.*
- ² *Distribution rate per share is based upon dividends per share paid from net investment income during the period, divided by the market price per share at the end of the period.*

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SELECTED INFORMATION

September 30, 2007 (Unaudited)

Market Price per share September 30, 2007	\$8.74
Shares Outstanding September 30, 2007	60,720,834
New York Stock Exchange Ticker Symbol	LEO

MARKET PRICE (NEW YORK STOCK EXCHANGE)

Fiscal Year Ended September 30, 2007

Quarter Ended	Quarter Ended	Quarter Ended	Quarter Ended
December 31, 2006	March 31, 2007	June 30, 2007	September 30, 2007

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High	\$9.50	\$9.75	\$9.70	\$9.54
Low	9.12	9.27	9.05	8.26
Close	9.26	9.56	9.47	8.74

PERCENTAGE GAIN (LOSS) based on change in Market Price*

September 23, 1987 (commencement of operations) through September 30, 2007	259.74%
October 1, 1997 through September 30, 2007	57.88
October 1, 2002 through September 30, 2007	20.02
October 1, 2006 through September 30, 2007	0.46
January 1, 2007 through September 30, 2007	(1.72)
April 1, 2007 through September 30, 2007	(6.04)
July 1, 2007 through September 30, 2007	(6.40)

NET ASSET VALUE PER SHARE

September 23, 1987 (commencement of operations)	\$ 9.32
September 30, 2006	9.46
December 31, 2006	9.50
March 31, 2007	9.47
June 30, 2007	9.25
September 30, 2007	9.12

PERCENTAGE GAIN based on change in Net Asset Value*

September 23, 1987 (commencement of operations) through September 30, 2007	302.31%
October 1, 1997 through September 30, 2007	74.50
October 1, 2002 through September 30, 2007	34.99
October 1, 2006 through September 30, 2007	1.62
January 1, 2007 through September 30, 2007	(0.14)
April 1, 2007 through September 30, 2007	(1.13)
July 1, 2007 through September 30, 2007	(0.11)

* With dividends reinvested.

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STATEMENT OF INVESTMENTS

September 30, 2007

Long-Term Municipal Investments	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Alabama	5.4%			

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Houston County Health Care Authority, GO (Insured; AMBAC)	6.25	10/1/09	8,000,000 ^a	8,496,880
Jefferson County, Limited Obligation School Warrants	5.25	1/1/18	16,000,000	16,982,880
Jefferson County, Limited Obligation School Warrants	5.50	1/1/22	4,000,000	4,270,840
Alaska 3.7%				
Alaska Housing Finance Corporation, General Mortgage Revenue (Insured; MBIA)	6.00	6/1/49	4,000,000	4,116,600
Arizona 3.7%				
Arizona Health Facilities Authority, Health Care Facilities Revenue (The Beatitudes Campus Project)	5.10	10/1/22	3,000,000	2,817,180
Maricopa County Pollution Control Corporation, PCR (Public Service Company of New Mexico Palo Verde Project)	5.75	11/1/22	6,000,000	6,036,960
Navajo County Industrial Development Authority, IDR (Stone Container Corporation Project)	7.40	4/1/26	1,585,000	1,608,331
Scottsdale Industrial Development Authority, HR (Scottsdale Healthcare)	5.80	12/1/11	6,000,000 ^a	6,561,720
Tucson, Water System Revenue (Insured; FGIC)	5.00	7/1/12	3,500,000 ^a	3,717,840
Arkansas 5.5%				
Arkansas Development Finance Authority, SFMR (Mortgage Backed Securities Program) (Collateralized: FNMA and GNMA)	6.25	1/1/32	2,500,000	2,553,075
California 14.1%				
California, GO	5.25	4/1/34	5,000	5,212
California, GO (Various Purpose)	5.50	4/1/14	3,385,000 ^a	3,766,625

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STATEMENT OF INVESTMENTS (continued)

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Long-Term Municipal Investments (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
California (continued)				
California, GO (Various Purpose)	5.00	9/1/30	10,000,000	10,219,900
California, GO (Various Purpose)	5.00	3/1/32	5,000,000	5,093,800
California, GO (Various Purpose)	5.00	9/1/32	8,000,000	8,154,320
California, GO (Various Purpose) (Insured; AMBAC)	4.25	12/1/35	8,000,000	7,337,600
California Health Facilities Financing Authority, Revenue (Cedars-Sinai Medical Center)	5.00	11/15/34	5,000,000	5,011,300
California Pollution Control Financing Authority, SWDR (Keller Canyon Landfill Company Project)	6.88	11/1/27	2,000,000	2,004,320
California Statewide Communities Development Authority, Revenue (Bentley School)	6.75	7/1/32	2,000,000	2,134,060
Golden State Tobacco Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	7.80	6/1/13	8,100,000 ^a	9,804,240
Golden State Tobacco Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	7.90	6/1/13	2,000,000 ^a	2,430,040
Golden State Tobacco Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	5.75	6/1/47	18,050,000	17,224,393
State Public Works Board of California, LR Department of General Services (Butterfield State Office Complex)	5.25	6/1/30	5,000,000	5,186,550
Colorado 4.6%				
Beacon Point Metropolitan District, GO	6.25	12/1/35	2,000,000	1,951,920
Colorado Health Facilities Authority, Revenue (American Baptist Homes of the Midwest Obligated Group)	5.90	8/1/37	3,000,000	2,966,490

Long-Term Municipal Investments (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Colorado (continued)				
Colorado Housing Finance Authority (Single Family Program) (Collateralized; FHA)	6.60	8/1/32	1,760,000	1,861,358
Denver City and County, Special Facilities Airport Revenue (United Air Lines Project)	5.75	10/1/32	5,000,000	4,957,400
Northwest Parkway Public Highway Authority, Revenue	7.13	6/15/41	10,750,000	11,268,258
Southlands Metropolitan District Number 1, GO	7.13	12/1/14	2,000,000 ^a	2,421,740
Florida 4.5%				
Deltona, Utilities System Revenue (Insured; MBIA)	5.13	10/1/27	6,000,000	6,206,640
Florida Housing Finance Corporation, Housing Revenue (Nelson Park Apartments) (Insured; FSA)	6.40	3/1/40	5,000	5,188
Jacksonville Economic Development Commission, Health Care Facilities Revenue (Florida Proton Therapy Institute Project)	6.25	9/1/27	3,500,000	3,630,760
Municipal Securities Trust Certificates (Florida Housing Finance Corporation, Housing Revenue) Nelson Park Apartments (Insured; FSA)	6.40	3/1/40	12,375,000 ^{b,c}	12,839,392
Orange County Health Facilities Authority, HR (Orlando Regional Healthcare System)	6.00	10/1/09	45,000 ^a	47,534
Orange County Health Facilities Authority, HR (Orlando Regional Healthcare System)	6.00	10/1/26	1,955,000	2,021,157
Georgia 3.2%				
Brooks County Development Authority, Senior Health and Housing Facilities Revenue (Presbyterian Home, Quitman, Inc.) (Collateralized; GNMA)	5.70	1/20/39	4,445,000	4,760,150

STATEMENT OF INVESTMENTS (continued)

Long-Term Municipal Investments (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Georgia (continued)				
Fulton County Development Authority, Revenue (Georgia Tech North Avenue Apartments Project) (Insured; XLCA)	5.00	6/1/32	2,500,000	2,588,100
Metropolitan Atlanta Rapid Transit Authority, Sales Tax Revenue (Third Indenture Series) (Insured; FGIC)	5.25	7/1/27	5,000,000	5,588,550
Milledgeville-Baldwin County Development Authority, Revenue (Georgia College and State Foundation)	6.00	9/1/13	2,090,000	2,352,462
Milledgeville-Baldwin County Development Authority, Revenue (Georgia College and State Foundation)	6.00	9/1/14	2,000,000 ^a	2,297,500
Hawaii 4.4%				
Hawaii Department of Transportation, Special Facility Revenue (Caterair International Corporation)	10.13	12/1/10	2,200,000	2,201,188
Idaho 6.6%				
Power County Industrial Development Corporation, SWDR (FMC Corporation Project)	6.45	8/1/32	3,250,000	3,401,580
Illinois 11.6%				
Chicago (Insured; FGIC)	6.13	7/1/10	14,565,000 ^a	15,683,446
Chicago, SFMR (Collateralized: FHLMC, FNMA and GNMA)	6.55	4/1/33	2,870,000	2,910,984
Chicago, Wastewater Transmission Revenue (Insured; MBIA)	6.00	1/1/10	3,000,000 ^a	3,187,350
Chicago O'Hare International Airport, Special Facility Revenue (American Airlines, Inc. Project)	5.50	12/1/30	5,000,000	4,733,600
Illinois Educational Facilities				

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Authority, Revenue (Northwestern University)	5.00	12/1/38	5,000,000	5,110,200
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Long-Term Municipal Investments (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Illinois (continued)				
Illinois Educational Facilities Authority, Revenue (University of Chicago) (Insured; MBIA)	5.13	7/1/08	5,000 ^a	5,110
Illinois Health Facilities Authority, Revenue (Advocate Health Care Network)	6.13	11/15/10	4,020,000 ^a	4,324,555
Illinois Health Facilities Authority, Revenue (OSF Healthcare System)	6.25	11/15/09	7,730,000 ^a	8,233,378
Illinois Health Facilities Authority, Revenue (Swedish American Hospital)	6.88	5/15/10	4,960,000 ^a	5,359,677
Illinois Housing Development Authority, Homeowner Mortgage Revenue	5.10	8/1/31	5,555,000	5,563,944
Lombard Public Facilities Corporation, Conference Center and Hotel First Tier Revenue	7.13	1/1/36	3,500,000	3,745,980
Metropolitan Pier and Exposition Authority, Dedicated State Tax Revenue (McCormick Place Expansion) (Insured; MBIA)	5.25	6/15/42	5,325,000	5,532,036
Indiana 2.2%				
Franklin Township School Building Corporation, First Mortgage Bonds	6.13	7/15/10	6,500,000 ^a	7,063,940
Indiana Housing Finance Authority, SFMR	5.95	1/1/29	580,000	588,990
Petersburg, SWDR (Indianapolis Power and Light Company Project)	6.38	11/1/29	4,150,000	4,381,155
Kansas 6.3%				
Kansas Development Finance Authority, Health Facilities Revenue (Sisters of Charity of Leavenworth Health Services Corporation)	6.25	12/1/28	3,000,000	3,181,890
Sedgwick and Shawnee Counties, SFMR (Mortgage-Backed				

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Securities Program) (Collateralized: FHLMC, FNMA and GNMA)	5.25	12/1/38	3,935,000	4,129,901
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STATEMENT OF INVESTMENTS *(continued)*

Long-Term Municipal Investments (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Kansas (continued)				
Sedgwick and Shawnee Counties, SFMR (Mortgage-Backed Securities Program) (Collateralized: FNMA and GNMA)	6.30	12/1/32	4,375,000	4,426,844
Sedgwick and Shawnee Counties, SFMR (Mortgage-Backed Securities Program) (Collateralized: FNMA and GNMA)	6.45	12/1/33	9,295,000	9,989,058
Sedgwick and Shawnee Counties, SFMR (Mortgage-Backed Securities Program) (Collateralized: FNMA and GNMA)	5.70	12/1/35	2,415,000	2,519,111
Wichita, Hospital Facilities Improvement Revenue (Via Christi Health System Inc.)	6.25	11/15/24	10,000,000	10,493,100
Kentucky 1.2%				
Kentucky Area Development Districts Financing Trust, COP (Lease Acquisition Program)	5.50	5/1/27	2,000,000	2,101,540
Kentucky Economic Development Finance Authority, MFHR (Christian Care Communities Projects) (Collateralized; GNMA)	5.25	11/20/25	2,370,000	2,500,895
Kentucky Economic Development Finance Authority, MFHR (Christian Care Communities Projects) (Collateralized; GNMA)	5.38	11/20/35	1,805,000	1,892,073
Louisiana 0.8%				
Lakeshore Villages Master Community Development District, Special Assessment Revenue	5.25	7/1/17	3,000,000	2,951,460

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Saint James Parish, SWDR (Freeport-McMoRan Partnership Project)	7.70	10/1/22	1,405,000	1,427,115
Maine 1.5%				
Maine Housing Authority, Mortgage Purchase	5.30	11/15/23	2,825,000	2,900,710

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Long-Term Municipal Investments (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Maryland 1.9%				
Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue	5.75	9/1/37	2,500,000	2,670,400
Maryland Economic Development Corporation, Senior Student Housing Revenue (University of Maryland, Baltimore Project)	5.75	10/1/33	4,500,000	4,338,450
Maryland Economic Development Corporation, Student Housing Revenue (University of Maryland, College Park Project)	6.50	6/1/13	3,000,000 ^a	3,445,260
Massachusetts 2.5%				
Massachusetts Health and Educational Facilities Authority, Revenue (Civic Investments Issue)	9.00	12/15/12	1,800,000 ^a	2,182,464
Massachusetts Health and Educational Facilities Authority, Revenue (Partners HealthCare System Issue)	5.75	7/1/11	4,815,000 ^a	5,227,405
Massachusetts Health and Educational Facilities Authority, Revenue (Partners HealthCare System Issue)	5.75	7/1/32	185,000	199,861
Massachusetts Industrial Finance Agency, RRR (Ogden Haverhill Project)	5.60	12/1/19	6,000,000	6,143,460
Michigan 7.4%				
Charyl Stockwell Academy, COP Detroit School District, School Building and Site	5.90	10/1/35	2,580,000	2,574,711

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Improvement Bonds (GO Unlimited Tax) (Insured; FGIC)	5.00	5/1/28	6,930,000	7,118,288
Kent Hospital Finance Authority, Revenue (Metropolitan Hospital Project)	6.00	7/1/35	5,930,000	6,204,085

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STATEMENT OF INVESTMENTS *(continued)*

Long-Term Municipal Investments (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Michigan (continued)				
Kent Hospital Finance Authority, Revenue (Metropolitan Hospital Project)	6.25	7/1/40	3,000,000	3,223,470
Michigan Hospital Finance Authority, Revenue (Ascension Health Credit Group)	6.13	11/15/09	5,000,000 ^a	5,309,700
Michigan Strategic Fund, LOR (The Detroit Edison Company Exempt Facilities Project) (Insured; XLCA)	5.25	12/15/32	3,000,000	3,091,380
Michigan Strategic Fund, SWDR (Genesee Power Station Project)	7.50	1/1/21	13,500,000	13,497,840
Minnesota 5.7%				
Dakota County Community Development Agency, SFMR (Mortgage-Backed Securities Program) (Collateralized: FHLMC, FNMA and GNMA)	5.15	12/1/38	2,491,761	2,496,994
Dakota County Community Development Agency, SFMR (Mortgage-Backed Securities Program) (Collateralized: FHLMC, FNMA and GNMA)	5.30	12/1/39	4,955,251	5,033,048
Duluth Economic Development Authority, Health Care Facilities Revenue (Saint Luke's Hospital)	7.25	6/15/32	5,000,000	5,355,250
North Oaks, Senior Housing Revenue (Presbyterian Homes of North Oaks, Inc. Project)	6.25	10/1/47	4,265,000	4,299,674

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Saint Paul Housing and Redevelopment Authority, Hospital Facility Revenue (HealthEast Project)	6.00	11/15/25	2,000,000	2,113,660
Saint Paul Housing and Redevelopment Authority, Hospital Facility Revenue (HealthEast Project)	6.00	11/15/30	2,000,000	2,085,320

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Long-Term Municipal Investments (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Minnesota (continued)				
Saint Paul Port Authority, Hotel Facility Revenue (Radisson Kellogg Project)	7.38	8/1/08	3,000,000 ^a	3,181,890
United Hospital District of Todd, Morrison, Cass and Wadena Counties, GO Health Care Facilities Revenue (Lakewood Health System)	5.13	12/1/24	1,500,000	1,491,420
Winona, Health Care Facilities Revenue (Winona Health Obligated Group)	6.00	7/1/26	5,000,000	5,264,300
Mississippi 3.4%				
Clairborne County, PCR (System Energy Resources, Inc. Project)	6.20	2/1/26	4,545,000	4,563,680
Mississippi Business Finance Corporation, PCR (System Energy Resources, Inc. Project)	5.88	4/1/22	14,310,000	14,463,832
Missouri 2.9%				
Missouri Development Finance Board, Infrastructure Facilities Revenue (Branson Landing Project)	5.38	12/1/27	2,000,000	1,994,960
Missouri Development Finance Board, Infrastructure Facilities Revenue (Branson Landing Project)	5.50	12/1/32	4,500,000	4,502,610
Missouri Development Finance Board, Infrastructure Facilities Revenue (Independence, Crackerneck Creek Project)	5.00	3/1/28	2,000,000	2,006,740

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Missouri Health and Educational Facilities Authority, Health Facilities Revenue (Saint Anthony's Medical Center)	6.25	12/1/10	6,750,000 ^a	7,347,307
Montana .2%				
Montana Board of Housing, SFMR	6.45	6/1/29	1,335,000	1,364,570

The Fund **15**

STATEMENT OF INVESTMENTS *(continued)*

Long-Term Municipal Investments (continued)	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Nebraska .1.0%				
Nebraska Public Power District, General Revenue (Insured; AMBAC)	5.00	1/1/35		