

DREYFUS STRATEGIC MUNICIPALS INC  
Form N-Q  
August 17, 2006

**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)

Mark N. Jacobs, 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: 6/30/06

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**FORM N-Q**

**Item 1. Schedule of Investments.**

**STATEMENT OF INVESTMENTS**

**Dreyfus Strategic Municipals, Inc.  
June 30, 2006 (Unaudited)**

| <b>Long-Term Municipal<br/>Investments--151.4%</b> | <b>Coupon<br/>Rate (%)</b> | <b>Maturity<br/>Date</b> | <b>Principal<br/>Amount (\$)</b> | <b>Value (\$)</b> |
|--|----------------------------|--------------------------|----------------------------------|-------------------|
| <b>Alabama--5.3%</b><br>Houston County Health Care |                            |                          |                                  |                   |

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|   |      |         |              |            |
|---|------|---------|--------------|------------|
| Authority (Insured; AMBAC)<br>Jefferson County,<br>Limited Obligation School  | 6.25 | 10/1/09 | 8,000,000 a  | 8,579,440  |
| Warrants<br>Jefferson County,<br>Limited Obligation School  | 5.25 | 1/1/18  | 16,000,000   | 16,710,400 |
| Warrants  | 5.50 | 1/1/22  | 4,000,000    | 4,235,360  |
| <b>Alaska--.7%</b>  |      |         |              |            |
| Alaska Housing Finance Corp.<br>(Insured; MBIA)   | 6.00 | 6/1/49  | 4,000,000    | 4,161,640  |
| <b>Arizona--3.8%</b>  |      |         |              |            |
| Coconino County Pollution Control<br>Corp., PCR (Nevada Power Co.<br>Project)   | 6.38 | 10/1/36 | 3,500,000    | 3,553,480  |
| Maricopa Pollution Control Corp.,<br>PCR (Public Service Co.)   | 5.75 | 11/1/22 | 6,000,000    | 6,066,720  |
| Navajo County Industrial<br>Development Authority, IDR<br>(Stone Container Corp. Project)   | 7.40 | 4/1/26  | 1,585,000    | 1,629,063  |
| Scottsdale Industrial Development<br>Authority, HR (Scottsdale<br>Healthcare)   | 5.80 | 12/1/11 | 6,000,000 a  | 6,552,240  |
| Tuscon,<br>Water System Revenue (Insured;<br>FGIC)  | 5.00 | 7/1/21  | 3,500,000    | 3,600,625  |
| <b>Arkansas--1.6%</b>   |      |         |              |            |
| Arkansas Development Finance<br>Authority, SFMR (Mortgage<br>Backed Securities Program)<br>(Collateralized: FNMA and GNMA)                      | 6.45 | 7/1/31  | 25,000       | 25,001     |
| Arkansas Development Finance<br>Authority, SFMR (Mortgage<br>Backed Securities Program)<br>(Collateralized: FNMA and GNMA)                      | 6.25 | 1/1/32  | 2,775,000    | 2,828,030  |
| Little Rock School District<br>(Insured; FSA)   | 5.25 | 2/1/30  | 6,000,000    | 6,171,240  |
| <b>California--10.8%</b>  |      |         |              |            |
| California,<br>GO   | 5.50 | 4/1/28  | 3,565,000    | 3,814,193  |
| California,<br>GO   | 5.25 | 4/1/34  | 5,000,000    | 5,161,150  |
| California,<br>GO (Various Purpose)   | 5.00 | 2/1/33  | 10,000,000   | 10,078,000 |
| California Infrastructure and<br>Economic Development Bank, Bay<br>Area Toll Bridges Seismic<br>Retrofit Revenue (First Lien)<br>(Insured; FSA) | 5.25 | 7/1/13  | 10,000,000 a | 10,798,100 |

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|   |      |         |           |           |
|---|------|---------|-----------|-----------|
| California Pollution Control<br>Financing Authority, SWDR<br>(Keller Canyon Landfill Co.<br>Project)                  | 6.88 | 11/1/27 | 2,000,000 | 2,004,300 |
| California Statewide Communities<br>Development Authority, Revenue<br>(Bentley School)                                | 6.75 | 7/1/32  | 2,000,000 | 2,156,940 |
| Golden State Tobacco<br>Securitization Corp., Tobacco<br>Settlement Asset-Backed Bonds                                | 5.00 | 6/1/21  | 1,620,000 | 1,624,633 |
| Golden State Tobacco<br>Securitization Corp., Tobacco<br>Settlement Asset-Backed Bonds                                | 7.80 | 6/1/42  | 8,100,000 | 9,649,935 |
| Golden State Tobacco<br>Securitization Corp., Tobacco<br>Settlement Asset-Backed Bonds                                | 7.90 | 6/1/42  | 2,000,000 | 2,394,460 |
| Los Angeles Unified School<br>District (Insured; FSA)   | 5.25 | 7/1/20  | 7,200,000 | 7,621,416 |
| State Public Works Board of<br>California, LR Department of<br>General Services (Butterfield<br>State Office Complex) | 5.25 | 6/1/30  | 5,000,000 | 5,159,650 |

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**Colorado--5.2%**

|   |      |         |             |           |
|---|------|---------|-------------|-----------|
| Beacon Point Metropolitan District  | 6.25 | 12/1/35 | 2,000,000   | 2,096,280 |
| Colorado Housing Finance Authority<br>(Collateralized; FHA)                                   | 6.60 | 8/1/32  | 2,290,000   | 2,372,074 |
| Denver City and County,<br>Special Facilities Airport<br>Revenue (United Airlines<br>Project) | 6.88 | 10/1/32 | 7,135,000 b | 7,304,456 |
| Northwest Parkway Public Highway<br>Authority, Revenue  | 7.13 | 6/15/41 | 10,750,000  | 9,988,040 |
| Silver Dollar Metropolitan<br>District  | 7.05 | 12/1/06 | 4,870,000 a | 4,932,677 |
| Southlands Metropolitan District<br>Number 1  | 7.13 | 12/1/34 | 2,000,000   | 2,182,080 |

**Florida--3.8%**

|  |       |         |               |           |
|--|-------|---------|---------------|-----------|
| Deltona,<br>Utilities System Revenue<br>(Insured; MBIA)                                      | 5.13  | 10/1/27 | 6,000,000     | 6,182,640 |
| Florida Housing Finance Corp.,<br>Housing Revenue (Nelson Park<br>Apartments) (Insured; FSA) | 6.40  | 3/1/40  | 5,000         | 5,255     |
| Florida Housing Finance Corp.,<br>Housing Revenue (Nelson Park<br>Apartments) (Insured; FSA) | 10.54 | 3/1/40  | 4,125,000 c,d | 4,755,218 |

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|  |       |          |           |           |
|--|-------|----------|-----------|-----------|
| Highlands County Health Facilities Authority, HR (Adventist Health System/Sunbelt Obligated Group)   | 5.25  | 11/15/36 | 7,000,000 | 7,165,550 |
| Orange County Health Facilities Authority, HR (Orlando Regional Healthcare System)   | 6.00  | 10/1/09  | 45,000 a  | 48,076    |
| Orange County Health Facilities Authority, HR (Orlando Regional Healthcare System)   | 6.00  | 10/1/26  | 1,955,000 | 2,048,977 |
| Palm Bay, Educational Facilities Revenue (Patriot Charter School Project)  | 7.00  | 7/1/36   | 1,000,000 | 1,033,220 |
| <b>Georgia--2.6%</b>   |       |          |           |           |
| Augusta, Water and Sewer Revenue (Insured; FSA)  | 5.25  | 10/1/39  | 3,000,000 | 3,114,690 |
| Brooks County Development Authority, Senior Health and Housing Facilities Revenue (Presbyterian Home, Quitman, Inc.) (Collateralized; GNMA)            | 5.70  | 1/20/39  | 4,445,000 | 4,752,238 |
| Milledgeville-Baldwin County Development Authority, Revenue (Georgia College and State Foundation)   | 6.00  | 9/1/13   | 2,090,000 | 2,244,138 |
| Milledgeville-Baldwin County Development Authority, Revenue (Georgia College and State Foundation)   | 6.00  | 9/1/33   | 2,000,000 | 2,134,200 |
| Peach County Development Authority, Student Housing Facilities Revenue (Fort Valley State University Foundation Property LLC Project) (Insured; AMBAC) | 4.50  | 6/1/37   | 2,500,000 | 2,362,400 |
| <b>Hawaii--.5%</b>   |       |          |           |           |
| Hawaii Department of Transportation, Special Facilities Revenue (Caterair International Corp. Project)   | 10.13 | 12/1/10  | 2,600,000 | 2,605,252 |
| <b>Idaho--.9%</b>  |       |          |           |           |
| Madison County, HR, COP  | 5.25  | 9/1/37   | 1,650,000 | 1,653,482 |
| Power County Industrial Development Corp., SWDR (FMC Corp. Project)  | 6.45  | 8/1/32   | 3,250,000 | 3,459,073 |

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**Illinois--12.3%**

|  |      |        |              |            |
|--|------|--------|--------------|------------|
| Chicago<br>(Insured; FGIC)                                 | 6.13 | 7/1/10 | 14,565,000 a | 15,865,946 |
| Chicago,<br>SFMR (Collateralized: FHLMC,<br>FNMA and GNMA) | 6.55 | 4/1/33 | 3,440,000    | 3,501,989  |

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|  |      |          |             |           |
|--|------|----------|-------------|-----------|
| Chicago,<br>Wastewater Transmission<br>Revenue (Insured; MBIA)   | 6.00 | 1/1/10   | 3,000,000 a | 3,225,000 |
| Chicago O'Hare International<br>Airport, Special Facilities<br>Revenue (American Airlines<br>Inc. Project)                   | 8.20 | 12/1/24  | 6,500,000   | 6,694,870 |
| Illinois Educational Facilities<br>Authority, Revenue (Chicago<br>University) (Insured; MBIA)                                | 5.13 | 7/1/38   | 6,995,000   | 7,091,881 |
| Illinois Educational Facilities<br>Authority, Revenue<br>(Northwestern University)   | 5.00 | 12/1/38  | 5,000,000   | 5,050,700 |
| Illinois Educational Facilities<br>Authority, Revenue (University<br>of Chicago) (Insured; MBIA)                             | 5.13 | 7/1/08   | 5,000 a     | 5,170     |
| Illinois Health Facilities<br>Authority, Revenue (Advocate<br>Health Care Network)   | 6.13 | 11/15/10 | 4,020,000 a | 4,361,218 |
| Illinois Health Facilities<br>Authority, Revenue (Swedish<br>American Hospital)  | 6.88 | 5/15/10  | 4,970,000 a | 5,472,368 |
| Illinois Health Facilities<br>Authority, Revenue (OSF<br>Healthcare System)  | 6.25 | 11/15/09 | 7,730,000 a | 8,356,516 |
| Lombard Public Facilities Corp.,<br>Conference Center and First<br>Tier Hotel Revenue  | 7.13 | 1/1/36   | 3,500,000   | 3,699,745 |
| Metropolitan Pier and Exposition<br>Authority, Dedicated State Tax<br>Revenue (McCormick Place<br>Expansion) (Insured; MBIA) | 5.25 | 6/15/42  | 5,325,000   | 5,516,168 |

**Indiana--2.2%**

|  |      |         |             |           |
|--|------|---------|-------------|-----------|
| Franklin Township School Building<br>Corp., First Mortgage | 6.13 | 7/15/10 | 6,500,000 a | 7,140,120 |
| Indiana Housing Finance Authority,<br>SFMR                 | 5.95 | 1/1/29  | 850,000     | 865,504   |
| Petersburg,<br>PCR (Indiana Power and Light)               | 6.38 | 11/1/29 | 4,150,000   | 4,456,187 |

**Kansas--4.4%**

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|  |      |          |            |            |
|--|------|----------|------------|------------|
| Kansas Development Finance Authority, Revenue (Board of Regents-Scientific Resource) (Insured; AMBAC)  | 5.00 | 10/1/21  | 5,290,000  | 5,515,460  |
| Kansas Development Finance Authority, Health Facility Revenue (Sisters of Charity) Sedgwick and Shawnee Counties, SFMR (Mortgage Backed Securities Project) (Collateralized: FNMA and GNMA) Wichita, HR (Christian Health System Inc.) | 6.25 | 12/1/28  | 3,000,000  | 3,229,140  |
|  | 6.30 | 12/1/32  | 5,275,000  | 5,391,841  |
|  | 6.25 | 11/15/24 | 10,000,000 | 10,568,200 |
| <b>Kentucky--1.2%</b>  |      |          |            |            |
| Kentucky Area Development Districts Financing Trust, COP (Lease Acquisition Program)   | 5.50 | 5/1/27   | 2,000,000  | 2,063,940  |
| Kentucky Economic Development Finance Authority, MFHR (Christian Care Communities Projects) (Collateralized; GNMA)   | 5.25 | 11/20/25 | 2,370,000  | 2,469,967  |
| Kentucky Economic Development Finance Authority, MFHR (Christian Care Communities Projects) (Collateralized; GNMA)   | 5.38 | 11/20/35 | 1,805,000  | 1,886,387  |
| <b>Louisiana--.5%</b>  |      |          |            |            |
| Louisiana Public Facilities Authority, Revenue (Pennington Medical Foundation Project) Saint James Parish, SWDR (Freeport-McMoran Partnership)   | 5.00 | 7/1/31   | 1,500,000  | 1,502,925  |
|  | 7.70 | 10/1/22  | 1,405,000  | 1,406,405  |
| <b>Maine--.5%</b>  |      |          |            |            |
| Maine Housing Authority, Mortgage Purchase   | 5.30 | 11/15/23 | 2,825,000  | 2,907,377  |

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**Maryland--1.8%**

|   |      |         |           |           |
|---|------|---------|-----------|-----------|
| Maryland Economic Development Corp., Senior Student Housing Revenue (University of Maryland, Baltimore Project) | 5.75 | 10/1/33 | 4,500,000 | 4,271,535 |
| Maryland Economic Development Corp., Student Housing Revenue (University of Maryland,                           |      |         |           |           |

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|  |      |          |             |            |
|--|------|----------|-------------|------------|
| College Park Project)<br>Maryland Health and Higher<br>Educational Facilities<br>Authority, Revenue (Maryland<br>Institute College of Art Issue)                   | 6.50 | 6/1/13   | 3,000,000 a | 3,413,970  |
| <b>Massachusetts--2.5%</b><br>Massachusetts Health and<br>Educational Facilities<br>Authority, Revenue (Civic<br>Investments)                                      | 5.00 | 6/1/30   | 2,500,000 e | 2,496,775  |
| Massachusetts Health and<br>Educational Facilities<br>Authority, Revenue (Partners<br>Healthcare System)   | 9.00 | 12/15/15 | 1,900,000   | 2,313,136  |
| Massachusetts Health and<br>Educational Facilities<br>Authority, Revenue (Partners<br>Healthcare System)   | 5.75 | 7/1/32   | 5,000,000   | 5,345,000  |
| Massachusetts Industrial Finance<br>Agency, RRR (Ogden Haverhill<br>Project)   | 5.60 | 12/1/19  | 6,000,000   | 6,164,100  |
| <b>Michigan--7.1%</b><br>Charyl Stockwell Academy,<br>COP  | 5.90 | 10/1/35  | 2,580,000   | 2,580,568  |
| Detroit School District,<br>GO (School Building<br>and Site Improvement)<br>(Insured; FGIC)  | 5.00 | 5/1/28   | 5,000,000 e | 5,064,650  |
| Kent Hospital Finance Authority,<br>Revenue (Metropolitan Hospital<br>Project)   | 6.00 | 7/1/35   | 5,930,000   | 6,302,641  |
| Kent Hospital Finance Authority,<br>Revenue (Metropolitan Hospital<br>Project)   | 6.25 | 7/1/40   | 3,000,000   | 3,236,940  |
| Michigan Hospital Finance<br>Authority, HR (Ascension<br>Health Credit)  | 6.13 | 11/15/09 | 5,000,000 a | 5,385,650  |
| Michigan Strategic Fund,<br>LOR (Detroit Edison Co. Exempt<br>Facilities Project) (Insured;<br>XLCA)   | 5.25 | 12/15/32 | 3,000,000   | 3,090,240  |
| Michigan Strategic Fund,<br>SWDR (Genesee Power Station<br>Project)  | 7.50 | 1/1/21   | 14,000,000  | 13,872,180 |
| <b>Minnesota--4.5%</b><br>Dakota County Community<br>Development Agency, SFMR<br>(Mortgage-Backed Securities<br>Program) (Collateralized:<br>GNMA, FHLMC and FNMA) | 5.30 | 12/1/39  | 5,000,000   | 5,185,500  |
| Duluth Economic Development<br>Authority, Health Care  |      |          |             |            |

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|   |      |          |             |           |
|---|------|----------|-------------|-----------|
| Facilities Revenue (Saint Luke's Hospital)  | 7.25 | 6/15/32  | 5,000,000   | 5,330,250 |
| Saint Paul Housing and Redevelopment Authority, Hospital Facility Revenue (HealthEast Project)  | 6.00 | 11/15/25 | 2,000,000   | 2,138,220 |
| Saint Paul Housing and Redevelopment Authority, Hospital Facility Revenue (HealthEast Project)  | 6.00 | 11/15/30 | 2,000,000   | 2,139,600 |
| Saint Paul Port Authority, Hotel Facility Revenue (Radisson Kellogg Project)  | 7.38 | 8/1/08   | 3,000,000 a | 3,286,740 |
| United Hospital District of Todd, Morrison, Cass and Wadena Counties, General Obligation, Health Care Facilities Revenue (Lakewood Health System) | 5.13 | 12/1/24  | 1,500,000   | 1,519,590 |
| Winona, Health Care Facilities Revenue (Winona Health)  | 6.00 | 7/1/26   | 5,000,000   | 5,318,000 |

**Mississippi--3.4%**

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|  |      |         |             |            |
|--|------|---------|-------------|------------|
| Clairborne County, PCR (System Energy Resources, Inc.)   | 6.20 | 2/1/26  | 4,545,000   | 4,571,815  |
| Mississippi Business Finance Corp., PCR (System Energy Resource Inc. Project)                                    | 5.88 | 4/1/22  | 14,310,000  | 14,377,114 |
| <b>Missouri--2.9%</b>  |      |         |             |            |
| Missouri Development Finance Board, Infrastructure Facilities Revenue (Branson Landing Project)                  | 5.38 | 12/1/27 | 2,000,000   | 2,035,840  |
| Missouri Development Finance Board, Infrastructure Facilities Revenue (Branson Landing Project)                  | 5.50 | 12/1/32 | 4,500,000   | 4,605,930  |
| Missouri Development Finance Board, Infrastructure Facilities Revenue (Independence, Crackerneck Creek Project)  | 5.00 | 3/1/28  | 2,000,000   | 2,009,460  |
| Missouri Health and Educational Facilities Authority, Health Facilities Revenue (Saint Anthony's Medical Center) | 6.25 | 12/1/10 | 6,750,000 a | 7,403,940  |



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**Montana--.3%**

|                                   |      |        |           |           |
|-----------------------------------|------|--------|-----------|-----------|
| Montana Board of Housing,<br>SFMR | 6.45 | 6/1/29 | 1,490,000 | 1,519,889 |
|-----------------------------------|------|--------|-----------|-----------|

**Nevada--2.9%**

|   |      |         |           |           |
|---|------|---------|-----------|-----------|
| Clark County,<br>IDR (Nevada Power Co. Project) | 5.60 | 10/1/30 | 3,000,000 | 3,010,740 |
|---|------|---------|-----------|-----------|

|  |      |        |              |            |
|--|------|--------|--------------|------------|
| Washoe County<br>(Reno-Sparks Convention<br>Center) (Insured; FSA) | 6.40 | 1/1/10 | 12,000,000 a | 12,971,280 |
|--|------|--------|--------------|------------|

**New Hampshire--2.6%**

|   |      |        |           |           |
|---|------|--------|-----------|-----------|
| New Hampshire Business Finance<br>Authority, PCR (Public Service<br>Co. of New Hampshire)<br>(Insured; AMBAC) | 6.00 | 5/1/21 | 7,000,000 | 7,351,610 |
|---|------|--------|-----------|-----------|

|  |      |         |           |           |
|--|------|---------|-----------|-----------|
| New Hampshire Health and<br>Educational Facilities<br>Authority, Revenue (Exeter<br>Project) | 6.00 | 10/1/24 | 1,000,000 | 1,087,830 |
|--|------|---------|-----------|-----------|

|  |      |         |           |           |
|--|------|---------|-----------|-----------|
| New Hampshire Health and<br>Educational Facilities<br>Authority, Revenue (Exeter<br>Project) | 5.75 | 10/1/31 | 1,000,000 | 1,048,750 |
|--|------|---------|-----------|-----------|

|   |      |         |           |           |
|---|------|---------|-----------|-----------|
| New Hampshire Industrial<br>Development Authority, PCR<br>(Connecticut Light) | 5.90 | 11/1/16 | 5,000,000 | 5,139,000 |
|---|------|---------|-----------|-----------|

**New Jersey--7.0%**

|  |      |         |           |           |
|--|------|---------|-----------|-----------|
| New Jersey Economic Development<br>Authority, Cigarette Tax<br>Revenue | 5.75 | 6/15/34 | 2,500,000 | 2,617,800 |
|--|------|---------|-----------|-----------|

|  |      |        |              |            |
|--|------|--------|--------------|------------|
| New Jersey Health Facilities<br>Financing Authority, Revenue<br>(Christian Health Care Center) | 8.75 | 7/1/06 | 12,745,000 a | 12,998,243 |
|--|------|--------|--------------|------------|

|  |      |          |           |           |
|--|------|----------|-----------|-----------|
| New Jersey Transportation Trust<br>Fund Authority (Transportation<br>System) | 5.25 | 12/15/22 | 5,000,000 | 5,327,400 |
|--|------|----------|-----------|-----------|

|  |      |        |           |           |
|--|------|--------|-----------|-----------|
| New Jersey Turnpike Authority,<br>Turnpike Revenue (Insured;<br>AMBAC) | 5.00 | 1/1/35 | 4,500,000 | 4,543,110 |
|--|------|--------|-----------|-----------|

|   |      |        |           |           |
|---|------|--------|-----------|-----------|
| Tobacco Settlement Financing Corp.<br>of New Jersey, Tobacco<br>Settlement Asset-Backed Bonds | 6.38 | 6/1/32 | 4,000,000 | 4,346,200 |
|---|------|--------|-----------|-----------|

|   |      |        |           |           |
|---|------|--------|-----------|-----------|
| Tobacco Settlement Financing Corp.<br>of New Jersey, Tobacco<br>Settlement Asset-Backed Bonds | 7.00 | 6/1/41 | 8,320,000 | 9,441,453 |
|---|------|--------|-----------|-----------|

**New Mexico--1.1%**

|  |      |         |           |           |
|--|------|---------|-----------|-----------|
| Farmington,<br>PCR (Tucson Electric Power Co.<br>San Juan) | 6.95 | 10/1/20 | 4,000,000 | 4,163,400 |
|--|------|---------|-----------|-----------|

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|---|------|----------|----------------|------------|
| New Mexico Mortgage Finance Authority, SFMR<br>(Collateralized: FHLMC, FNMA and GNMA)   | 7.00 | 9/1/31   | 1,985,000      | 1,995,759  |
| <b>New York--5.9%</b>   |      |          |                |            |
| Long Island Power Authority,  |      |          |                |            |
| <hr/>   |      |          |                |            |
| Electric System Revenue   | 6.06 | 12/1/16  | 10,000,000 c,d | 10,688,500 |
| New York City Industrial Development Agency, Liberty Revenue (7 World Trade Center Project)   | 6.25 | 3/1/15   | 3,000,000      | 3,184,500  |
| New York City Industrial Development Agency, Special Facility Revenue (American Airlines, Inc. John F. Kennedy International Airport Project) | 8.00 | 8/1/28   | 2,800,000      | 3,337,936  |
| New York Liberty Development Corp., Revenue (Goldman Sachs Headquarters Issue)  | 5.25 | 10/1/35  | 5,000,000 e    | 5,330,850  |
| Tobacco Settlement Financing Corp. of New York, Asset-Backed Revenue Bonds (State Contingency Contract Secured)                               | 5.25 | 6/1/21   | 5,000,000      | 5,246,700  |
| Triborough Bridge and Tunnel Authority, Revenue   | 5.25 | 11/15/30 | 5,220,000      | 5,405,153  |
| <b>North Carolina--.6%</b>  |      |          |                |            |
| Gaston County Industrial Facilities and Pollution Control Financing Authority, Exempt Facilities Revenue (National Gypsum Co. Project)        | 5.75 | 8/1/35   | 3,000,000      | 3,127,500  |
| <b>North Dakota--.2%</b>  |      |          |                |            |
| North Dakota Housing Finance Agency, Home Mortgage Revenue (Housing Finance Program)  | 6.15 | 7/1/31   | 1,090,000      | 1,109,827  |
| <b>Ohio--6.6%</b>   |      |          |                |            |
| Canal Winchester Local School District (Insured; MBIA)  | 0.00 | 12/1/29  | 3,955,000      | 1,235,582  |
| Canal Winchester Local School District (Insured; MBIA)  | 0.00 | 12/1/31  | 3,955,000      | 1,115,152  |
| Cincinnati, Water Systems Revenue   | 5.00 | 12/1/21  | 3,800,000      | 3,902,106  |
| Cincinnati City School District, Classroom Facilities Construction and Improvement (Insured; FSA)   | 5.00 | 12/1/31  | 2,000,000      | 2,044,060  |

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|   |      |         |             |            |
|---|------|---------|-------------|------------|
| Cleveland State University,<br>General Receipts (Insured;<br>FGIC)  | 5.00 | 6/1/34  | 5,000,000   | 5,099,700  |
| Cuyahoga County,<br>Revenue   | 6.00 | 1/1/32  | 750,000     | 817,402    |
| Ohio Air Quality Development<br>Authority, PCR (Cleveland<br>Electric Illuminating Co.<br>Project) (Insured; ACA)                               | 6.10 | 8/1/20  | 3,000,000   | 3,096,000  |
| Ohio Water Development Authority,<br>Pollution Control Facilities<br>Revenue (Cleveland Electric<br>Illuminating Co. Project)<br>(Insured; ACA) | 6.10 | 8/1/20  | 4,350,000   | 4,489,200  |
| Toledo Lucas County Port<br>Authority, Airport Revenue<br>(Baxter Global Project)   | 6.25 | 11/1/13 | 4,100,000   | 4,152,193  |
| Trotwood-Madison City School<br>District, School Improvement<br>(Insured; FGIC)   | 5.00 | 12/1/30 | 10,495,000  | 10,693,565 |
| <b>Oklahoma--2.8%</b>   |      |         |             |            |
| Oklahoma Housing Finance Agency,<br>SFMR (Homeownership Loan<br>Program)  | 7.55 | 9/1/28  | 1,210,000   | 1,217,296  |
| Oklahoma Housing Finance Agency,<br>SFMR (Homeownership Loan<br>Program) (Collateralized: FNMA<br>and GNMA)                                     | 7.55 | 9/1/27  | 1,240,000   | 1,275,501  |
| Oklahoma Industries Authority,<br>Health System Revenue<br>(Obligated Group) (Insured;<br>MBIA)   | 5.75 | 8/15/09 | 5,160,000 a | 5,471,251  |
| Oklahoma Industries Authority,<br>Health System Revenue<br>(Obligated Group) (Insured;<br>MBIA)   | 5.75 | 8/15/29 | 7,070,000   | 7,445,276  |
| <b>Oregon--2.5%</b>   |      |         |             |            |
| Port of Portland,   |      |         |             |            |
| International Airport Revenue<br>(Portland International<br>Airport) (Insured; AMBAC)   | 5.50 | 7/1/24  | 5,000,000   | 5,211,350  |
| Western Generation Agency,<br>Cogeneration Project Revenue<br>(Wauna Cogeneration Project)  | 7.40 | 1/1/16  | 5,750,000   | 5,770,815  |
| Western Generation Agency,<br>Cogeneration Project Revenue  |      |         |             |            |

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|                              |      |        |           |           |
|------------------------------|------|--------|-----------|-----------|
| (Wauna Cogeneration Project) | 7.13 | 1/1/21 | 2,900,000 | 2,909,831 |
|------------------------------|------|--------|-----------|-----------|

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**Pennsylvania--3.5%**

|  |      |         |           |           |
|--|------|---------|-----------|-----------|
| Abington School District<br>(Insured; FSA)   | 5.13 | 10/1/34 | 4,085,000 | 4,204,568 |
| Pennsylvania Economic Development<br>Financing Authority, Exempt<br>Facilities Revenue (Reliant<br>Energy Seward, LLC Project) | 6.75 | 12/1/36 | 2,500,000 | 2,677,850 |
| Pennsylvania Economic Development<br>Financing Authority, SWDR (USG<br>Corporation Project)                                    | 6.00 | 6/1/31  | 8,000,000 | 8,223,680 |
| York County Hospital Authority,<br>Revenue (Health<br>Center-Lutheran Social<br>Services)                                      | 6.50 | 4/1/22  | 4,250,000 | 4,273,120 |

**South Carolina--3.0%**

|  |      |         |                |            |
|--|------|---------|----------------|------------|
| Greenville County School District,<br>Installment Purchase Revenue<br>(Building Equity Sooner for<br>Tomorrow) | 5.50 | 12/1/12 | 5,000 a        | 5,426      |
| Greenville County School District,<br>Installment Purchase Revenue<br>(Building Equity Sooner for<br>Tomorrow) | 6.76 | 12/1/28 | 10,010,000 c,d | 11,717,306 |
| Greenville Hospital System,<br>Hospital Facilities Revenue<br>(Insured; AMBAC)                                 | 5.50 | 5/1/26  | 5,000,000      | 5,299,650  |

**Tennessee--3.4%**

|   |      |        |            |           |
|---|------|--------|------------|-----------|
| Johnson City Health and<br>Educational Facilities Board,<br>Hospital First Mortgage<br>Revenue (Mountain States<br>Health Alliance) | 7.50 | 7/1/25 | 5,000,000  | 5,765,600 |
| Johnson City Health and<br>Educational Facilities Board,<br>Hospital First Mortgage<br>Revenue (Mountain States<br>Health Alliance) | 7.50 | 7/1/33 | 3,000,000  | 3,449,190 |
| Memphis Center Revenue Finance<br>Corp., Sports Facility Revenue<br>(Memphis Redbirds)  | 6.50 | 9/1/28 | 10,000,000 | 9,672,200 |

**Texas--12.5%**

|  |      |         |           |           |
|--|------|---------|-----------|-----------|
| Alliance Airport Authority Inc.,<br>Special Facilities Revenue<br>(American Airlines, Inc.<br>Project) | 7.50 | 12/1/29 | 7,500,000 | 7,498,800 |
|--|------|---------|-----------|-----------|

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|   |      |         |             |            |
|---|------|---------|-------------|------------|
| Austin Convention Enterprises Inc., Hotel Revenue (Convention Center)   | 6.70 | 1/1/28  | 4,000,000   | 4,242,880  |
| Brazos River Authority, PCR (TXU Energy Co. LLC Project)  | 6.75 | 10/1/38 | 1,650,000   | 1,846,647  |
| Dallas-Fort Worth International Airport, Facility Improvement Corp. Revenue (American Airlines Inc.)            | 6.38 | 5/1/35  | 6,630,000   | 6,548,252  |
| Harris County Health Facilities Development Corp., HR (Memorial Hermann Healthcare System)                      | 6.38 | 6/1/11  | 8,500,000 a | 9,453,020  |
| Houston, Airport System Special Facilities Revenue (Continental Airlines, Inc. Terminal E Project)              | 6.75 | 7/1/29  | 5,125,000   | 5,454,332  |
| Houston, Airport System Special Facilities Revenue (Continental Airlines, Inc. Terminal E Project)              | 7.00 | 7/1/29  | 3,800,000   | 4,056,462  |
| Sabine River Authority, PCR (TXU Electric Co. Project)  | 6.45 | 6/1/21  | 11,300,000  | 12,035,178 |
| Sam Rayburn Municipal Power Agency, Power Supply System Revenue   | 5.75 | 10/1/21 | 6,000,000   | 6,402,660  |
| Texas Department of Housing and Community Affairs, Home Mortgage Revenue (Collateralized: FHLMC, FNMA and GNMA) | 9.62 | 7/2/24  | 1,300,000 c | 1,368,679  |
| Texas Turnpike Authority, Central Texas Turnpike System Revenue (Insured; AMBAC)                                | 5.75 | 8/15/38 | 7,100,000   | 7,670,201  |
| Tyler Health Facilities Development Corp., HR (East Texas Medical Center Regional Healthcare System Project)    | 6.75 | 11/1/25 | 3,000,000   | 3,038,400  |
| <b>Utah--.7%</b><br>Carbon County, Solid Waste Disposal Facility Revenue (Sunnyside Cogeneration Associates     |      |         |             |            |

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|  |      |         |               |            |
|--|------|---------|---------------|------------|
| Project)   | 7.10 | 8/15/23 | 3,722,000     | 3,924,588  |
| <b>Vermont--.2%</b>  |      |         |               |            |
| Vermont Housing Finance Agency,<br>Single Family Housing<br>(Insured; FSA)   | 6.40 | 11/1/30 | 1,165,000     | 1,183,873  |
| <b>Virginia--2.2%</b>  |      |         |               |            |
| Greater Richmond Convention Center<br>Authority, Hotel Tax Revenue<br>(Convention Center Expansion<br>Project)                                 | 6.25 | 6/15/10 | 10,500,000 a  | 11,465,475 |
| Industrial Development Authority<br>of Pittsylvania County, Exempt<br>Facility Revenue (Multitrade<br>of Pittsylvania County, L.P.<br>Project) | 7.65 | 1/1/10  | 800,000       | 846,072    |
| <b>Washington--2.5%</b>  |      |         |               |            |
| Energy Northwest,<br>Wind Project Revenue  | 5.88 | 1/1/07  | 3,000,000 a   | 3,118,650  |
| Seattle,<br>Water System Revenue (Insured;<br>FGIC)  | 6.00 | 7/1/09  | 10,000,000 a  | 10,683,100 |
| <b>West Virginia--3.0%</b>   |      |         |               |            |
| Braxton County,<br>SWDR (Weyerhaeuser Co. Project)   | 6.13 | 4/1/26  | 14,000,000    | 14,459,200 |
| West Virginia Water Development<br>Authority, Water Development<br>Revenue (Insured; AMBAC)  | 6.38 | 7/1/39  | 2,250,000     | 2,442,015  |
| <b>Wisconsin--7.1%</b>   |      |         |               |            |
| Badger Tobacco Asset<br>Securitization Corp., Tobacco<br>Settlement Asset-Backed Bonds   | 7.50 | 6/1/27  | 6,290,000 c,d | 7,056,374  |
| Badger Tobacco Asset<br>Securitization Corp., Tobacco<br>Settlement Asset-Backed Bonds   | 7.00 | 6/1/28  | 22,995,000    | 25,555,033 |
| Madison,<br>IDR (Madison Gas and Electric<br>Co.)  | 5.88 | 10/1/34 | 2,390,000     | 2,520,446  |
| Wisconsin Health and Educational<br>Facilities Authority, Revenue<br>(Aurora Health Care)  | 6.40 | 4/15/33 | 4,000,000     | 4,349,240  |
| <b>Wyoming--.8%</b>  |      |         |               |            |
| Sweetwater County,<br>SWDR (FMC Corp. Project)   | 5.60 | 12/1/35 | 4,500,000     | 4,677,705  |
| <b>U.S. Related--1.5%</b>  |      |         |               |            |
| Children's Trust Fund of Puerto<br>Rico, Tobacco Settlement<br>Asset-Backed Bonds  | 0.00 | 5/15/55 | 20,000,000    | 658,800    |
| Guam Housing Corp.,  |      |         |               |            |

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|  |                            |                          |                                  |                      |
|--|----------------------------|--------------------------|----------------------------------|----------------------|
| SFMR (Collateralized; FHLMC)<br>Puerto Rico Highway and<br>Transportation Authority,<br>Transportation Revenue   | 5.75                       | 9/1/31                   | 965,000                          | 1,055,170            |
| <b>Total Long-Term Municipal Investments</b><br>(cost \$804,219,158)   |                            |                          |                                  | <b>845,056,792</b>   |
| <b>Short-Term Municipal<br/>Investments--.4%</b>   | <b>Coupon<br/>Rate (%)</b> | <b>Maturity<br/>Date</b> | <b>Principal<br/>Amount (\$)</b> | <b>Value (\$)</b>    |
| <b>Alaska--.3%</b><br>Valdez,<br>Marine Terminal Revenue (Exxon<br>Pipeline Co. Project)   | 3.88                       | 7/1/06                   | 1,500,000 f                      | 1,500,000            |
| <b>Texas--.0%</b><br>Lower Neches Valley Authority<br>Industrial Development<br>Corporation, Exempt Facilities<br>Revenue, Refunding (ExxonMobil<br>Project) | 3.88                       | 7/1/06                   | 100,000 f                        | 100,000              |
| <b>Utah--.1%</b><br>Weber County,<br>HR (IHC Health Services, Inc.)<br>(Liquidity Facility; Dexia<br>Credit Locale)  | 3.98                       | 7/1/06                   | 500,000 f                        | 500,000              |
| <b>Total Short-Term Municipal Investments</b><br>(cost \$2,100,000)  |                            |                          |                                  | <b>2,100,000</b>     |
| <b>Total Investments</b> (cost \$806,319,158)  |                            |                          | <b>151.8%</b>                    | <b>847,156,792</b>   |
| <b>Liabilities, Less Cash and Receivables</b>  |                            |                          | <b>(.7%)</b>                     | <b>(3,934,284)</b>   |
| <b>Preferred Stock, at redemption value</b>  |                            |                          | <b>(51.1%)</b>                   | <b>(285,000,000)</b> |
| <b>Net Assets Applicable to Common Shareholders</b>  |                            |                          | <b>100.0%</b>                    | <b>558,222,508</b>   |

a 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.

b Non-income producing security; interest payments in default.

c Inverse floater security--the interest rate is subject to change periodically.

d 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 June 30, 2006, these securities amounted to \$34,217,398 or 6.1% of net assets applicable to Common Shareholders.

e Purchased on a delayed delivery basis.

f Securities payable on demand. Variable interest rate--subject to periodic change.

Securities valuation policies and other 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.

Summary of Abbreviations

**ACA** American Capital Access

**AGC** ACE Guaranty Corporation

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|             |  |               |  |
|-------------|--|---------------|--|
| <b>AGIC</b> | Asset Guaranty Insurance Company         | <b>AMBAC</b>  | American Municipal Bond Assurance                          |
| <b>ARRN</b> | Adjustable Rate Receipt Notes            | <b>BAN</b>    | Bond Anticipation Notes                                    |
| <b>BIGI</b> | Bond Investors Guaranty Insurance        | <b>BPA</b>    | Bond Purchase Agreement                                    |
| <b>CGIC</b> | Capital Guaranty Insurance Company       | <b>CIC</b>    | Continental Insurance Company                              |
| <b>CIFG</b> | CDC Ixis Financial Guaranty              | <b>CMAC</b>   | Capital Market Assurance Corporation                       |
| <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>FSA</b>    | Financial Security Assurance                               |
| <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>MBIA</b>   | Municipal Bond Investors Assurance                         |
| <b>MFHR</b> | Multi-Family Housing Revenue             | <b>MFMR</b>   | Multi-Family I <sup>C</sup> Mortgage <sup>ti</sup> Revenue |
| <b>PCR</b>  | Pollution Control Revenue                | <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                     |               |  |

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### 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.

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## 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.



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Dreyfus Strategic Municipals, Inc.

By: /s/ Stephen E. Canter

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Stephen E. Canter  
President

Date: August 17, 2006

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/ Stephen E. Canter

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Stephen E. Canter  
Chief Executive Officer

Date: August 17, 2006

By: /s/ James Windels

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James Windels  
Chief Financial Officer

Date: August 17, 2006

**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)

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