

DREYFUS MUNICIPAL INCOME INC
Form N-Q
February 26, 2008
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 811-5652
DREYFUS MUNICIPAL INCOME FUND, INC.
(Exact name of Registrant as specified in charter)

c/o The Dreyfus Corporation
200 Park Avenue
New York, New York 10166
(Address of principal executive offices) (Zip code)

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: 9/30
Date of reporting period: 12/31/07

FORM N-Q
Item 1. Schedule of Investments.

STATEMENT OF INVESTMENTS
Dreyfus Municipal Income, Inc.
December 31, 2007 (Unaudited)

Long-Term Municipal Investments--157.7%	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Alabama--6.7% Jefferson County, Sewer Revenue Capital Improvement Warrants (Insured; FGIC) The Board of Trustees of the University of Alabama, HR (University of Alabama at	5.75	2/1/09	7,500,000 a	7,791,075

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Birmingham) (Insured; MBIA)	5.88	9/1/10	4,620,000 a	4,987,429
Alaska--3.7%				
Alaska Housing Finance Corporation, General Mortgage Revenue (Insured; MBIA)	6.05	6/1/39	6,845,000	6,941,514
Arizona--1.0%				
Pima County Industrial Development Authority, Education Revenue (American Charter Schools Foundation Project)	5.63	7/1/38	2,000,000	1,874,420
Arkansas--1.5%				
Independence County, PCR (Entergy Arkansas, Inc. Project)	5.00	1/1/21	3,000,000	2,841,960
California--15.2%				
ABAG Financial Authority for Nonprofit Corporations, Insured Revenue, COP (Odd Fellows Home of California)	6.00	8/15/24	5,000,000	5,055,800
California Department of Veteran Affairs, Home Purchase Revenue	5.20	12/1/28	2,950,000	2,951,210
California Educational Facilities Authority, Revenue (Mills College)	5.00	9/1/34	2,000,000	1,970,880
California Health Facilities Financing Authority, Revenue (Sutter Health)	6.25	8/15/35	2,500,000	2,658,850
California Housing Finance Agency, Home Mortgage Revenue	4.80	8/1/36	2,500,000	2,321,425
California Statewide Communities Development Authority, COP (Catholic Healthcare West)	6.50	7/1/10	3,545,000 a	3,863,376
California Statewide Communities Development Authority, COP (Catholic Healthcare West)	6.50	7/1/10	1,455,000 a	1,582,371
Chabot-Las Positas Community College District, GO (Insured;				
AMBAC)	0.00	8/1/32	6,000,000	1,642,500
Golden State Tobacco Securitization Corporation, Tobacco Settlement				
Asset-Backed Bonds	7.80	6/1/13	3,000,000 a	3,615,420
Golden State Tobacco Securitization Corporation, Tobacco Settlement				
Asset-Backed Bonds	5.75	6/1/47	3,500,000	3,290,595

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Colorado--9.2%

Colorado Springs, HR	6.38	12/15/10	2,835,000 a	3,112,263
Colorado Springs, HR	6.38	12/15/30	2,890,000	3,012,709
University of Northern Colorado Board of Trustees, Auxiliary Facilities System Revenue (Insured; FSA)	5.00	6/1/35	11,000,000 b,c	11,416,900

District of Columbia--1.4%

District of Columbia, Revenue (Catholic University America Project) (Insured; AMBAC)	5.63	10/1/09	1,605,000 a	1,690,755
District of Columbia, Revenue (Catholic University America Project) (Insured; AMBAC)	5.63	10/1/29	475,000	494,371
District of Columbia Housing Finance Agency, SFMR (Collateralized: FHA, FNMA, GNMA and GIC; Trinity Funding)	7.45	12/1/30	500,000	508,735

Florida--1.4%

Orange County Health Facilities Authority, HR (Orlando Regional Healthcare System)	6.00	10/1/09	30,000 a	31,724
Orange County Health Facilities Authority, HR (Orlando Regional Healthcare System)	6.00	10/1/26	1,470,000	1,508,690
South Lake County Hospital District, Revenue (South Lake Hospital, Inc.)	5.80	10/1/34	1,095,000	1,110,746

Illinois--11.7%

Chicago (Insured; FGIC)	6.13	7/1/10	3,685,000 a	3,985,770
Chicago (Insured; FGIC)	6.13	7/1/10	315,000 a	340,710
Illinois Development Finance Authority, Revenue (Community Rehabilitation Providers Facilities Acquisition Program)	8.75	3/1/10	55,000	55,142

Systems)	5.50	8/1/37	2,000,000	1,922,320
Illinois Health Facilities Authority, Revenue (Advocate				

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Health Care Network) Illinois Health Facilities Authority, Revenue (OSF Healthcare System)	6.13	11/15/10	5,800,000 a	6,272,526
Illinois Health Facilities Authority, Revenue (Swedish American Hospital)	6.25	11/15/09	7,000,000 a	7,455,280
Indiana--2.6% Anderson, EDR and Improvement Bonds (Anderson University Project) Franklin Township School Building Corporation, First Mortgage Bonds	6.88	5/15/10	2,000,000 a	2,165,540
Iowa--.6% Coralville, Annual Appropriation Urban Renewal Tax Increment Revenue	5.00	10/1/32	2,450,000	2,237,389
Maryland--5.1% Maryland Economic Development Corporation, Student Housing Revenue (University of Maryland, College Park Project) Maryland Health and Higher Educational Facilities Authority, Revenue (The Johns Hopkins University Issue)	6.13	7/15/10	2,500,000 a	2,729,150
Maryland--5.1% Maryland Economic Development Corporation, Student Housing Revenue (University of Maryland, College Park Project)	5.63	6/1/13	2,000,000 a	2,229,600
Maryland Health and Higher Educational Facilities Authority, Revenue (The Johns Hopkins University Issue)	6.00	7/1/09	7,000,000 a	7,375,340
Massachusetts--6.4% Massachusetts Development Finance Agency, SWDR (Dominion Energy Brayton Point Issue) Massachusetts Health and Educational Facilities Authority, Healthcare System Revenue (Covenant Health Systems Obligated Group Issue)	5.00	2/1/36	2,000,000	1,849,640
Massachusetts Health and Educational Facilities Authority, Healthcare System Revenue (Covenant Health Systems Obligated Group Issue)	6.00	1/1/12	530,000 a	588,809
Massachusetts Health and Educational Facilities Authority, Healthcare System Revenue (Covenant Health Systems Obligated Group Issue)	6.00	7/1/31	1,970,000	2,045,924
Massachusetts Housing Finance Agency, SFHR Massachusetts Industrial Finance Agency, Water Treatment Revenue (Massachusetts-American Hingham Project)	5.00	12/1/31	2,500,000	2,393,975
Massachusetts Industrial Finance Agency, Water Treatment Revenue (Massachusetts-American Hingham Project)	6.95	12/1/35	5,235,000	5,246,779

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Michigan--3.6%

Hancock Hospital Finance Authority, Mortgage Revenue (Portgage Health) (Insured; MBIA)	5.45	8/1/08	2,175,000 a	2,202,296
Michigan Strategic Fund, SWDR (Genesee Power Station Project)	7.50	1/1/21	4,685,000	4,559,161

Minnesota--1.4%

Minnesota Agricultural and Economic Development Board, Health Care System Revenue (Fairview Health Care Systems)	6.38	11/15/10	2,420,000 a	2,655,781
Minnesota Agricultural and Economic Development Board, Health Care System Revenue (Fairview Health Care Systems)	6.38	11/15/29	80,000	83,773

Mississippi--3.2%

Mississippi Business Finance Corporation, PCR (System Energy Resources, Inc. Project)	5.88	4/1/22	6,000,000	5,999,340
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Missouri--4.1%

Missouri Development Finance Board, Infrastructure Facilities Revenue (Branson Landing Project)	5.00	6/1/35	2,500,000	2,328,975
Missouri Health and Educational Facilities Authority, Health Facilities Revenue (BJC Health System)	5.25	5/15/32	2,500,000	2,531,900
Missouri Health and Educational Facilities Authority, Health Facilities Revenue (Saint Anthony's Medical Center)	6.25	12/1/10	2,500,000 a	2,735,275
Missouri Housing Development Commission, SFMR (Homeownership Loan Program) (Collateralized: FNMA and GNMA)	6.30	9/1/25	140,000	141,723

Nevada--2.2%

Clark County, IDR (Southwest Gas Corporation Project) (Insured; AMBAC)	6.10	12/1/38	4,000,000	4,224,080
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New Jersey--3.5%

New Jersey Economic Development Authority, Cigarette Tax Revenue	5.50	6/15/31	1,610,000	1,529,677
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New Jersey Turnpike Authority, Turnpike Revenue (Insured; AMBAC)	5.00	1/1/35	5,000,000	5,091,450
New Mexico--2.3%				
Farmington, PCR (Public Service Company of New Mexico San Juan Project)	6.30	12/1/16	3,000,000	3,007,860
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New Mexico Mortgage Finance Authority, Single Family Mortgage Program (Collateralized: FHLMC and GNMA)	6.85	9/1/31	1,400,000	1,421,308
New York--.8%				
Long Island Power Authority, Electric System General Revenue	5.00	9/1/27	1,500,000	1,537,440
North Carolina--3.0%				
Gaston County Industrial Facilities and Pollution Control Financing Authority, Exempt Facilities Revenue (National Gypsum Company Project)	5.75	8/1/35	1,500,000	1,415,640
North Carolina Eastern Municipal Power Agency, Power System Revenue	5.13	1/1/26	3,000,000	3,008,520
North Carolina Housing Finance Agency, Home Ownership Revenue	6.25	1/1/29	1,185,000	1,200,606
Ohio--10.4%				
Buckeye Tobacco Settlement Financing Authority, Tobacco Settlement Asset-Backed Bonds	6.50	6/1/47	8,000,000	8,223,280
Cuyahoga County, Hospital Improvement Revenue (The Metrohealth System Project)	6.13	2/15/09	5,000,000 a	5,217,900
Ohio Housing Finance Agency, Residential Mortgage Revenue (Collateralized; GNMA)	5.75	9/1/30	35,000	35,342
Rickenbacker Port Authority, Capital Funding Revenue (OASBO Expanded Asset Pooled)	5.38	1/1/32	4,090,000	4,401,658
Toledo-Lucas County Port Authority, Special Assessment Revenue (Crocker Park Public Improvement Project)	5.38	12/1/35	2,000,000	1,919,040
Oklahoma--1.4%				

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Oklahoma Development Finance Authority, Revenue (Saint John Health System)	6.00	2/15/09	1,875,000 a	1,954,781
Oklahoma Development Finance Authority, Revenue (Saint John Health System)	6.00	2/15/29	625,000	644,494
Oregon--2.7%				
Oregon Department of Transportation, Highway User Tax Revenue	5.00	11/15/28	5,000,000	5,204,600
Pennsylvania--6.3%				
Pennsylvania Economic Development Financing Authority, RRR				
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(Northampton Generating Project)	6.60	1/1/19	3,500,000	3,501,470
Sayre Health Care Facilities Authority, Revenue (Guthrie Health)	5.88	12/1/11	5,995,000 a	6,634,846
Sayre Health Care Facilities Authority, Revenue (Guthrie Health)	5.88	12/1/31	1,755,000	1,813,020
Rhode Island--1.2%				
Rhode Island Housing and Mortgage Finance Corporation, Homeownership Opportunity Revenue	4.70	10/1/32	2,405,000	2,220,537
South Carolina--10.7%				
Lancaster Educational Assistance Program, Inc., Installment Purchase Revenue (The School District of Lancaster County, South Carolina, Project)	5.00	12/1/26	5,000,000	4,927,650
Medical University of South Carolina, Hospital Facilities Revenue	6.00	7/1/09	2,500,000 a	2,630,650
Piedmont Municipal Power Agency, Electric Revenue	5.25	1/1/21	3,500,000	3,524,115
Securing Assets for Education, Installment Purchase Revenue (Berkeley County School District Project)	5.13	12/1/30	2,500,000	2,484,875
Tobacco Settlement Revenue Management Authority of South Carolina, Tobacco Settlement Asset-Backed Bonds	6.38	5/15/28	2,900,000	2,948,256
Tobacco Settlement Revenue				

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Management Authority of South Carolina, Tobacco Settlement Asset-Backed Bonds	6.38	5/15/30	3,750,000	3,762,975
Tennessee--2.4%				
Johnson City Health and Educational Facilities Board, Hospital First Mortgage Revenue (Mountain States Health Alliance)	5.50	7/1/36	2,000,000	1,964,700
Knox County Health, Educational and Housing Facility Board, Revenue (University Health System, Inc.)	5.25	4/1/36	2,700,000	2,612,925
Texas--11.3%				
Cities of Dallas and Fort Worth, Dallas/Fort Worth International Airport, Joint Revenue Improvement (Insured; FSA)	5.00	11/1/35	1,600,000	1,588,000
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Gregg County Health Facilities Development Corporation, HR (Good Shepherd Medical Center Project) (Insured; Radian)	6.38	10/1/10	2,500,000 a	2,734,625
Harris County Health Facilities Development Corporation, HR (Memorial Hermann Healthcare System)	6.38	6/1/11	3,565,000 a	3,948,844
Lubbock Educational Facilities Authority, Improvement Revenue (Lubbock Christian University)	5.25	11/1/37	1,500,000	1,400,550
Port of Corpus Christi Authority of Nueces County, Revenue (Union Pacific Corporation Project)	5.65	12/1/22	4,500,000	4,614,435
Texas (Veterans Housing Assistance Program) (Collateralized; FHA)	6.10	6/1/31	7,000,000	7,175,980
Utah--.1%				
Utah Housing Finance Agency, SFMR (Collateralized; FHA)	6.00	1/1/31	170,000	173,975
Vermont--1.1%				
Vermont Educational and Health Buildings Financing Agency, Revenue (Saint Michael's College Project)	6.00	10/1/28	1,500,000	1,636,950
Vermont Housing Finance Agency,				

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SFHR (Insured; FSA)	6.40	11/1/30	445,000	450,932
Washington--2.8%				
Washington Higher Educational Facilities Authority, Revenue (Whitman College)	5.88	10/1/09	5,000,000 a	5,243,450
West Virginia--1.3%				
The County Commission of Pleasants County, PCR (Allegheny Energy Supply Company, LLC Pleasants Station Project)	5.25	10/15/37	2,500,000	2,426,525
Wisconsin--5.0%				
Badger Tobacco Asset Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	7.00	6/1/28	2,500,000	2,621,700
Wisconsin Health and Educational Facilities Authority, Revenue (Aurora Health Care, Inc.)	5.60	2/15/29	4,975,000	4,909,778
Wisconsin Health and Educational Facilities Authority, Revenue (Marshfield Clinic)	5.38	2/15/34	2,000,000	1,921,280
Wyoming--.7%				
Sweetwater County, SWDR (FMC Corporation Project)	5.60	12/1/35	1,500,000	1,422,795
U.S. Related--9.7%				

Puerto Rico Highways and Transportation Authority, Transportation Revenue (Insured; MBIA)	5.00	7/1/38	8,000,000 b,c	8,157,200
Puerto Rico Highways and Transportation Authority, Transportation Revenue (Insured; MBIA)	5.00	7/1/38	10,000,000 b,c	10,196,500
Total Long-Term Municipal Investments (cost \$290,231,112)				299,223,463

Short-Term Municipal Investments--.6%	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
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Maryland--.5%				
Maryland Economic Development Corporation, Multi-Modal Revenue (United States Pharmacopeial Project) (Insured; AMBAC and Liquidity Facility; Bank of America)	3.48	1/1/08	960,000 d	960,000
Texas--.1%				

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Harris County Health Facilities
Development Corporation,
Special Facilities Revenue
(Texas Medical Center Project)

(Insured; MBIA and Liquidity

Facility; JPMorgan Chase Bank)

3.53

1/1/08

200,000 d

200,000

Total Short-Term Municipal Investments

(cost \$1,160,000)

1,160,000

Total Investments (cost \$291,391,112)

158.3%

300,383,463

Liabilities, Less Cash and Receivables

(5.6%)

(10,674,338)

Preferred Stock, at redemption value

(52.7%)

(100,000,000)

Net Assets Applicable

to Common Shareholders

100.0%

189,709,125

- 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 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, 2007, these securities amounted to \$29,770,600 or 15.7% of net assets applicable to Common Shareholders.
- c Collateral for floating rate borrowings.
- d 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
AGIC	Asset Guaranty Insurance Company	AMBAC	American Municipal Bond Assurance Corporation
ARRN	Adjustable Rate Receipt Notes	BAN	Bond Anticipation Notes
BIGI	Bond Investors Guaranty Insurance	BPA	Bond Purchase Agreement
CGIC	Capital Guaranty Insurance Company	CIC	Continental Insurance Company
CIFG	CDC Ixis Financial Guaranty	CMAC	Capital Market Assurance Corporation
COP	Certificate of Participation	CP	Commercial Paper
EDR	Economic Development Revenue	EIR	Environmental Improvement Revenue
FGIC	Financial Guaranty Insurance Company	FHA	Federal Housing Administration
FHLB	Federal Home Loan Bank	FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association	FSA	Financial Security Assurance
GAN	Grant Anticipation Notes	GIC	Guaranteed Investment Contract
GNMA	Government National Mortgage Association	GO	General Obligation
HR	Hospital Revenue	IDB	Industrial Development Board
IDC	Industrial Development Corporation	IDR	Industrial Development Revenue
LOC	Letter of Credit	LOR	Limited Obligation Revenue
LR	Lease Revenue	MBIA	Municipal Bond Investors Assurance Insurance Corporation

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MFHR	Multi-Family Housing Revenue	MFMR	Multi-Family Mortgage Revenue
PCR	Pollution Control Revenue	PILOT	Payment in Lieu of Taxes
RAC	Revenue Anticipation Certificates	RAN	Revenue Anticipation Notes
RAW	Revenue Anticipation Warrants	RRR	Resources Recovery Revenue
SAAN	State Aid Anticipation Notes	SBPA	Standby Bond Purchase Agreement
SFHR	Single Family Housing Revenue	SFMR	Single Family Mortgage Revenue
SONYMA	State of New York Mortgage Agency	SWDR	Solid Waste Disposal Revenue
TAN	Tax Anticipation Notes	TAW	Tax Anticipation Warrants
TRAN	Tax and Revenue Anticipation Notes	XLCA	XL Capital Assurance

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.

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 MUNICIPAL INCOME FUND, INC.

By: /s/ J. David Officer
J. David Officer
President

Date: February 25, 2008

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/ J. David Officer
J. David Officer
President

Date: February 25, 2008

By: /s/ James Windels
James Windels
Treasurer

Date: February 25, 2008

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)
