

DREYFUS MUNICIPAL INCOME INC  
Form N-Q  
August 24, 2009

**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, 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: 6/30/2009

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**FORM N-Q**

**Item 1. Schedule of Investments.**

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**STATEMENT OF INVESTMENTS**

**Dreyfus Municipal Income, Inc.**

**June 30, 2009 (Unaudited)**

| <b>Long-Term Municipal<br/>Investments--155.9%</b> | <b>Coupon<br/>Rate (%)</b> | <b>Maturity<br/>Date</b> | <b>Principal<br/>Amount (\$)</b> | <b>Value (\$)</b> |
|--|----------------------------|--------------------------|----------------------------------|-------------------|
|--|----------------------------|--------------------------|----------------------------------|-------------------|

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**Alabama--2.8%**

|  |      |        |             |           |
|--|------|--------|-------------|-----------|
| The Board of Trustees of the<br>University of Alabama, HR<br>(University of Alabama at<br>Birmingham) (Insured; National<br>Public Finance Guarantee<br>Corp.) (Prerefunded) | 5.88 | 9/1/10 | 4,620,000 a | 4,943,631 |
|--|------|--------|-------------|-----------|

**Alaska--1.3%**

|  |      |        |           |           |
|--|------|--------|-----------|-----------|
| Alaska Housing Finance<br>Corporation, General Mortgage<br>Revenue (Insured; National<br>Public Finance Guarantee Corp.) | 6.05 | 6/1/39 | 2,280,000 | 2,280,958 |
|--|------|--------|-----------|-----------|

**Arizona--4.8%**

|   |      |         |           |           |
|---|------|---------|-----------|-----------|
| City of Phoenix, County of<br>Maricopa and the County of<br>Pima Industrial Development<br>Authorities, SFMR<br>(Collateralized: FHLMC, FNMA<br>and GNMA) | 5.80 | 12/1/39 | 3,770,000 | 3,821,988 |
| Glendale Western Loop 101 Public<br>Facilities Corporation, Third<br>Lien Excise Tax Revenue  | 6.25 | 7/1/28  | 1,000,000 | 1,040,860 |
| Glendale Western Loop 101 Public<br>Facilities Corporation, Third<br>Lien Excise Tax Revenue  | 7.00 | 7/1/28  | 2,000,000 | 2,145,360 |
| Pima County Industrial Development<br>Authority, Education Revenue<br>(American Charter Schools<br>Foundation Project)                                    | 5.63 | 7/1/38  | 2,000,000 | 1,428,820 |

**California--21.1%**

|  |      |         |           |           |
|--|------|---------|-----------|-----------|
| ABAG Financial Authority for<br>Nonprofit Corporations,<br>Insured Revenue, COP (Odd |      |         |           |           |
| Fellows Home of California)  | 6.00 | 8/15/24 | 5,000,000 | 4,999,600 |
| California,<br>GO (Various Purpose)  | 5.75 | 4/1/31  | 3,950,000 | 3,825,812 |
| California,<br>GO (Various Purpose)  | 5.00 | 11/1/32 | 1,500,000 | 1,300,965 |
| California,  |      |         |           |           |

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|  |      |         |             |           |
|--|------|---------|-------------|-----------|
| GO (Various Purpose)   | 6.50 | 4/1/33  | 3,000,000   | 3,152,130 |
| California Health Facilities<br>Financing Authority, Revenue<br>(Sutter Health)                                  | 6.25 | 8/15/35 | 2,500,000   | 2,522,475 |
| California Statewide Communities<br>Development Authority, COP<br>(Catholic Healthcare West)<br>(Prerefunded)    | 6.50 | 7/1/10  | 3,545,000 a | 3,773,050 |
| California Statewide Communities<br>Development Authority, COP<br>(Catholic Healthcare West)<br>(Prerefunded)    | 6.50 | 7/1/10  | 1,455,000 a | 1,550,506 |
| Chabot-Las Positas Community<br>College District, GO (Insured;<br>AMBAC)   | 0.00 | 8/1/32  | 6,000,000 b | 1,339,440 |
| Chula Vista,<br>IDR (San Diego Gas and<br>Electric Company)  | 5.88 | 2/15/34 | 2,000,000   | 2,017,080 |
| Golden State Tobacco<br>Securitization Corporation,<br>Tobacco Settlement<br>Asset-Backed Bonds                  | 4.50 | 6/1/27  | 5,000,000   | 4,154,250 |
| Golden State Tobacco<br>Securitization Corporation,<br>Tobacco Settlement<br>Asset-Backed Bonds                  | 5.75 | 6/1/47  | 3,500,000   | 2,113,685 |
| Golden State Tobacco<br>Securitization Corporation,<br>Tobacco Settlement<br>Asset-Backed Bonds<br>(Prerefunded) | 7.80 | 6/1/13  | 3,000,000 a | 3,605,340 |
| San Diego Public Facilities<br>Financing Authority, Senior<br>Sewer Revenue                                      | 5.25 | 5/15/34 | 1,000,000   | 990,480   |
| <hr/>  |      |         |             |           |
| Tuolumne Wind Project Authority,<br>Revenue (Tuolumne Company<br>Project)  | 5.88 | 1/1/29  | 1,500,000 c | 1,525,650 |
| <b>Colorado--6.7%</b><br>Colorado Educational and Cultural   |      |         |             |           |

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|   |      |          |             |           |
|---|------|----------|-------------|-----------|
| Facilities Authority, Charter<br>School Revenue (American<br>Academy Project)   | 8.00 | 12/1/40  | 1,500,000   | 1,647,270 |
| Colorado Health Facilities<br>Authority, Health Facilities<br>Revenue (The Evangelical<br>Lutheran Good Samaritan<br>Society Project) | 6.13 | 6/1/38   | 2,525,000   | 2,502,881 |
| Colorado Springs,<br>HR   | 6.38 | 12/15/30 | 2,890,000   | 2,907,138 |
| Colorado Springs,<br>HR (Prerefunded)   | 6.38 | 12/15/10 | 2,835,000 a | 3,094,459 |
| University of Colorado Regents,<br>University Enterprise Revenue  | 5.38 | 6/1/38   | 1,500,000   | 1,538,790 |
| <b>District of Columbia--1.5%</b>   |      |          |             |           |
| District of Columbia,<br>Revenue (Catholic University<br>America Project) (Insured;<br>AMBAC)   | 5.63 | 10/1/29  | 475,000     | 480,310   |
| District of Columbia,<br>Revenue (Catholic University<br>America Project) (Insured;<br>AMBAC) (Prerefunded)                           | 5.63 | 10/1/09  | 1,605,000 a | 1,641,161 |
| District of Columbia Housing<br>Finance Agency, SFMR<br>(Collateralized: FHA, FNMA,<br>GNMA and GIC; Trinity Funding)                 | 7.45 | 12/1/30  | 485,000     | 491,717   |
| <b>Florida--4.9%</b>  |      |          |             |           |
| Greater Orlando Aviation<br>Authority, Airport Facilities<br>Revenue  | 6.25 | 10/1/20  | 3,980,000   | 4,154,682 |
| Orange County Health Facilities<br>Authority, HR (Orlando<br>Regional Healthcare System)  | 6.00 | 10/1/26  | 1,470,000   | 1,454,286 |
| Orange County Health Facilities<br><br>Authority, HR (Orlando<br>Regional Healthcare System)<br>(Prerefunded)                         | 6.00 | 10/1/09  | 30,000 a    | 30,719    |
| Orange County School Board,   |      |          |             |           |

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|   |      |          |             |           |
|---|------|----------|-------------|-----------|
| COP (Master Lease Purchase Agreement) (Insured; Assured Guaranty)   | 5.50 | 8/1/34   | 2,000,000   | 2,013,900 |
| South Lake County Hospital District, Revenue (South Lake Hospital, Inc.)  | 5.80 | 10/1/34  | 1,095,000   | 991,621   |
| <b>Georgia--1.7%</b>  |      |          |             |           |
| Atlanta, Water and Wastewater Revenue   | 6.00 | 11/1/28  | 3,000,000   | 2,999,700 |
| <b>Illinois--12.1%</b>  |      |          |             |           |
| Chicago, GO (Insured; FGIC) (Prerefunded)   | 6.13 | 7/1/10   | 3,685,000 a | 3,926,625 |
| Chicago, GO (Insured; National Public Finance Guarantee Corp.) (Prerefunded)  | 6.13 | 7/1/10   | 315,000 a   | 335,655   |
| Illinois Development Finance Authority, Revenue (Community Rehabilitation Providers Facilities Acquisition Program) | 8.75 | 3/1/10   | 30,000      | 30,000    |
| Illinois Finance Authority, Revenue (Sherman Health Systems)  | 5.50 | 8/1/37   | 2,000,000   | 1,479,760 |
| Illinois Health Facilities Authority, Revenue (Advocate Health Care Network) (Prerefunded)                          | 6.13 | 11/15/10 | 5,800,000 a | 6,236,102 |
| Illinois Health Facilities Authority, Revenue (OSF Healthcare System) (Prerefunded)                                 | 6.25 | 11/15/09 | 7,000,000 a | 7,220,570 |
| Illinois Health Facilities Authority, Revenue (Swedish American Hospital) (Prerefunded)                             | 6.88 | 5/15/10  | 1,995,000 a | 2,106,880 |

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**Indiana--1.5%**

Franklin Township School Building Corporation, First Mortgage

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|--|------|---------|-------------|-----------|
| Bonds (Prerefunded)  | 6.13 | 7/15/10 | 2,500,000 a | 2,696,750 |
| <b>Maryland--6.9%</b>  |      |         |             |           |
| Maryland Economic Development Corporation, PCR (Potomac Electric Project)  | 6.20 | 9/1/22  | 2,500,000   | 2,685,925 |
| Maryland Economic Development Corporation, Student Housing Revenue (University of Maryland, College Park Project) (Prerefunded)                    | 5.63 | 6/1/13  | 2,000,000 a | 2,299,280 |
| Maryland Health and Higher Educational Facilities Authority, Revenue (The Johns Hopkins University Issue) (Prerefunded)                            | 6.00 | 7/1/09  | 7,000,000 a | 7,071,120 |
| <b>Massachusetts--5.9%</b>   |      |         |             |           |
| Massachusetts Development Finance Agency, SWDR (Dominion Energy Brayton Point Issue)   | 5.00 | 2/1/36  | 2,000,000   | 1,635,600 |
| Massachusetts Health and Educational Facilities Authority, Healthcare System Revenue (Covenant Health Systems Obligated Group Issue)               | 6.00 | 7/1/31  | 1,970,000   | 1,967,616 |
| Massachusetts Health and Educational Facilities Authority, Healthcare System Revenue (Covenant Health Systems Obligated Group Issue) (Prerefunded) | 6.00 | 1/1/12  | 530,000 a   | 596,345   |
| Massachusetts Housing Finance Agency, Rental Housing Mortgage Revenue (Insured; AMBAC)   | 5.50 | 7/1/40  | 2,230,000   | 1,717,613 |
| Massachusetts Industrial Finance Agency, Water Treatment Revenue (Massachusetts-American   |      |         |             |           |
| Hingham Project)   | 6.95 | 12/1/35 | 5,235,000   | 4,445,248 |

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**Michigan--5.3%**

Detroit,

Sewage Disposal System Senior

Lien Revenue (Insured; FSA) 7.50 7/1/33 1,500,000 1,729,695

Michigan Hospital Finance

Authority, HR (Henry Ford

Health System) 5.00 11/15/38 1,515,000 1,127,448

Michigan Strategic Fund,

SWDR (Genesee Power Station

Project) 7.50 1/1/21 4,385,000 3,608,241

Royal Oak Hospital Finance

Authority, HR (William

Beaumont Hospital Obligated

Group) 8.00 9/1/29 2,500,000 2,812,675

**Minnesota--3.9%**

Minneapolis,

Health Care System Revenue

(Fairview Health Services) 6.75 11/15/32 3,000,000 3,152,700

Minnesota Agricultural and

Economic Development Board,

Health Care Facilities Revenue

(Essentia Health Obligated

Group) (Insured; Assured

Guaranty) 5.00 2/15/37 1,000,000 979,410

Minnesota Agricultural and

Economic Development Board,

Health Care System Revenue

(Fairview Health Care Systems) 6.38 11/15/29 80,000 80,683

Minnesota Agricultural and

Economic Development Board,

Health Care System Revenue

(Fairview Health Care Systems)

(Prerefunded) 6.38 11/15/10 2,420,000 a 2,622,627

**Mississippi--3.1%**

Mississippi Business Finance

Corporation, PCR (System

Energy Resources, Inc. Project) 5.88 4/1/22 6,000,000 5,457,120

**Missouri--1.6%**

Missouri Health and Educational

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|   |      |         |             |           |
|---|------|---------|-------------|-----------|
| Facilities Authority, Health<br>Facilities Revenue (Saint<br>Anthony's Medical Center)<br>(Prerefunded)                   | 6.25 | 12/1/10 | 2,500,000 a | 2,711,325 |
| Missouri Housing Development<br>Commission, SFMR<br>(Homeownership Loan Program)<br>(Collateralized: FNMA and GNMA)       | 6.30 | 9/1/25  | 120,000     | 122,286   |
| <b>Nevada--2.0%</b>   |      |         |             |           |
| Clark County,<br>IDR (Southwest Gas Corporation<br>Project) (Insured; AMBAC)  | 6.10 | 12/1/38 | 4,000,000   | 3,560,160 |
| <b>New Hampshire--1.2%</b>  |      |         |             |           |
| New Hampshire Business Finance<br>Authority, PCR (Public Service<br>Company of New Hampshire<br>Project) (Insured; AMBAC) | 6.00 | 5/1/21  | 2,135,000   | 2,118,923 |
| <b>New Jersey--2.1%</b>   |      |         |             |           |
| New Jersey Economic Development<br>Authority, Cigarette Tax<br>Revenue  | 5.50 | 6/15/31 | 1,610,000   | 1,216,822 |
| New Jersey Higher Education<br>Student Assistance Authority,<br>Student Loan Revenue (Insured;<br>Assured Guaranty)       | 6.13 | 6/1/30  | 2,500,000   | 2,495,450 |
| <b>New Mexico--2.3%</b>   |      |         |             |           |
| Farmington,<br>PCR (Public Service Company of<br>New Mexico San Juan Project)   | 6.30 | 12/1/16 | 3,000,000   | 2,997,180 |
| New Mexico Mortgage Finance<br>Authority, Single Family<br>Mortgage Program<br>(Collateralized: FHLMC and<br>GNMA)        | 6.85 | 9/1/31  | 1,000,000   | 1,012,110 |
| <b>New York--1.8%</b>   |      |         |             |           |
| Long Island Power Authority,<br>Electric System General Revenue   | 5.00 | 9/1/27  | 1,500,000   | 1,489,290 |
| New York City Industrial<br>Development Agency, PILOT<br>Revenue (Yankee Stadium  |      |         |             |           |



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|---|------|---------|-------------|-----------|
| Project) (Insured; Assured<br>Guaranty)   | 7.00 | 3/1/49  | 1,435,000   | 1,613,528 |
| <b>North Carolina--.6%</b>  |      |         |             |           |
| North Carolina Housing Finance<br>Agency, Home Ownership Revenue  | 6.25 | 1/1/29  | 1,125,000   | 1,125,563 |
| <b>Ohio--1.6%</b>   |      |         |             |           |
| Buckeye Tobacco Settlement<br>Financing Authority, Tobacco<br>Settlement Asset-Backed Bonds   | 6.50 | 6/1/47  | 2,000,000   | 1,234,500 |
| Toledo-Lucas County Port<br>Authority, Special Assessment<br>Revenue (Crocker Park Public<br>Improvement Project)   | 5.38 | 12/1/35 | 2,000,000   | 1,658,740 |
| <b>Pennsylvania--7.4%</b>   |      |         |             |           |
| Lancaster Higher Education<br>Authority, College Revenue<br>(Franklin and Marshall College<br>Project)  | 5.00 | 4/15/37 | 2,000,000   | 1,890,880 |
| Pennsylvania Economic Development<br>Financing Authority, RRR<br>(Northampton Generating<br>Project)  | 6.60 | 1/1/19  | 3,500,000   | 2,636,410 |
| Sayre Health Care Facilities<br>Authority, Revenue (Guthrie<br>Health)  | 5.88 | 12/1/31 | 1,755,000   | 1,670,005 |
| Sayre Health Care Facilities<br>Authority, Revenue (Guthrie<br>Health) (Prerefunded)  | 5.88 | 12/1/11 | 5,995,000 a | 6,717,697 |
| <b>South Carolina--10.3%</b>  |      |         |             |           |
| Lancaster Educational Assistance<br>Program, Inc., Installment<br>Purchase Revenue (The School<br>District of Lancaster County,<br>South Carolina, Project) | 5.00 | 12/1/26 | 5,000,000   | 4,554,600 |
| Medical University of South<br>Carolina, Hospital Facilities<br>Revenue (Prerefunded)   | 6.00 | 7/1/09  |             |           |