

DREYFUS MUNICIPAL INCOME INC
Form N-Q
February 23, 2012

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT
INVESTMENT COMPANY

Investment Company Act file number 811-5652

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)

Janette Farragher, Esq.

200 Park Avenue

New York, New York 10166
(Name and address of agent for service)

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

Date of fiscal year end: 09/30

Date of reporting period: 12/31/2011

FORM N-Q

Item 1. Schedule of Investments.

STATEMENT OF INVESTMENTS**Dreyfus Municipal Income, Inc.****December 31, 2011 (Unaudited)**

Long-Term Municipal Investments--148.0%	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Arizona--9.7%				
Barclays Capital Municipal Trust Receipts (Salt River Project Agricultural Improvement and Power District, Salt River Project Electric System Revenue)	5.00	1/1/38	9,998,763 a,b	10,634,563
Glendale Western Loop 101 Public Facilities Corporation, Third Lien Excise Tax Revenue	6.25	7/1/28	1,000,000	1,045,740
Glendale Western Loop 101 Public Facilities Corporation, Third Lien Excise Tax Revenue	7.00	7/1/28	2,000,000	2,121,320
Pima County Industrial Development Authority, Education Revenue (American Charter Schools Foundation Project)	5.63	7/1/38	2,000,000	1,615,640
Pima County Industrial Development Authority, IDR (Tucson Electric Power Company Project)	5.75	9/1/29	1,000,000	1,036,920
Pinal County Electrical District Number 4, Electric System Revenue	6.00	12/1/38	2,300,000	2,393,472
Salt Verde Financial Corporation, Senior Gas Revenue	5.00	12/1/37	490,000	452,642
California--23.4%				
ABAG Financial Authority for Nonprofit Corporations, Insured Revenue, COP (Odd Fellows Home of California)	6.00	8/15/24	5,000,000	5,112,800
California, GO (Various Purpose)	5.75	4/1/31	3,950,000	4,432,690

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California, GO (Various Purpose)	6.00	3/1/33	1,250,000	1,442,925
California, GO (Various Purpose)	6.50	4/1/33	3,000,000	3,578,460
California, GO (Various Purpose)	6.00	11/1/35	2,500,000	2,848,675
California Municipal Finance Authority, Revenue (Southwestern Law School)	6.50	11/1/41	750,000	779,737
Chula Vista, IDR (San Diego Gas and Electric Company)	5.88	2/15/34	2,000,000	2,242,020
Golden State Tobacco Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	4.50	6/1/27	1,000,000	826,190
Golden State Tobacco Securitization Corporation, Tobacco Settlement Asset-Backed Bonds (Prerefunded)	7.80	6/1/13	3,000,000 c	3,311,910
JPMorgan Chase Putters/Drivers Trust (Los Angeles Departments of Airports, Senior Revenue (Los Angeles International Airport))	5.25	5/15/18	10,000,000 a,b	11,141,400
Sacramento County, Airport System Subordinate and Passenger Facility Charges Grant Revenue	6.00	7/1/35	2,250,000	2,448,360
San Diego Public Facilities Financing Authority, Senior Sewer Revenue	5.25	5/15/34	1,000,000	1,082,090
Santa Ana Community Redevelopment Agency, Tax Allocation Revenue (Merged Project Area)	6.75	9/1/28	3,000,000	3,358,680
Tobacco Securitization Authority of Southern California, Tobacco Settlement				

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Asset-Backed Bonds (San Diego)

County Tobacco Asset Securitization Corporation)	5.00	6/1/37	3,500,000	2,474,675
Tuolumne Wind Project Authority, Revenue (Tuolumne Company Project)	5.88	1/1/29	1,500,000	1,694,220
Colorado--5.5%				
Colorado Educational and Cultural Facilities Authority, Charter School Revenue (American Academy Project)	8.00	12/1/40	1,500,000	1,785,135
Colorado Health Facilities Authority, Health Facilities Revenue (The Evangelical Lutheran Good Samaritan Society Project)	6.13	6/1/38	2,525,000	2,557,017
Colorado Springs, HR	6.38	12/15/30	2,890,000	2,891,676
E-470 Public Highway Authority, Senior Revenue	5.25	9/1/25	1,000,000	1,010,330
E-470 Public Highway Authority, Senior Revenue	5.38	9/1/26	1,000,000	1,010,620
University of Colorado Regents, University Enterprise Revenue	5.38	6/1/38	1,500,000	1,678,695
Florida--8.7%				
Florida, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds	5.00	7/1/24	1,500,000	1,752,960
Greater Orlando Aviation Authority, Airport Facilities Revenue	6.25	10/1/20	3,980,000	4,859,063
Mid-Bay Bridge Authority, Springing Lien Revenue	7.25	10/1/34	2,500,000	2,633,525
Orange County School Board, COP (Master Lease Purchase Agreement) (Insured; Assured Guaranty Municipal Corp.)	5.50	8/1/34	2,000,000	2,155,880

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Palm Beach County Health Facilities Authority, Revenue (The Waterford Project)	5.88	11/15/37	2,400,000	2,412,216
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Saint Johns County Industrial Development Authority, Revenue (Presbyterian Retirement Communities Project)	5.88	8/1/40	2,500,000	2,550,475
South Lake County Hospital District, Revenue (South Lake Hospital, Inc.)	6.25	4/1/39	1,000,000	1,032,490
Georgia--3.5%				
Atlanta, Airport General Revenue	5.00	1/1/26	1,500,000	1,588,605
Atlanta, Water and Wastewater Revenue	6.00	11/1/28	3,000,000	3,479,850
Atlanta, Water and Wastewater Revenue (Insured; Assured Guaranty Municipal Corp.)	5.25	11/1/34	1,750,000	1,885,432
Hawaii--1.3%				
Hawaii Department of Budget and Finance, Special Purpose Revenue (Hawaiian Electric Company, Inc. and Subsidiary Projects)	6.50	7/1/39	2,400,000	2,614,320
Illinois--3.6%				
Chicago, General Airport Third Lien Revenue (Chicago O'Hare International Airport)	5.63	1/1/35	1,000,000	1,098,440
Chicago Metropolitan Water Reclamation District, GO Capital Improvement Limited Tax Bonds	5.00	12/1/32	2,500,000	2,793,025
Railsplitter Tobacco Settlement Authority, Tobacco Settlement Revenue	6.00	6/1/28	2,000,000	2,158,820
University of Illinois Board of				

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Trustees, Auxiliary Facilities				
System Revenue	5.13	4/1/36	1,000,000	1,053,390
Indiana--.8%				
Indianapolis Local Public Improvement Bond Bank, Revenue				
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(Indianapolis Airport Authority Project) (Insured; AMBAC)	5.00	1/1/36	1,500,000	1,504,485
Iowa--1.5%				
Iowa Student Loan Liquidity Corporation, Student Loan Revenue	5.75	12/1/28	3,000,000	3,047,430
Louisiana--.6%				
Louisiana Public Facilities Authority, Revenue (CHRISTUS Health Obligated Group)	6.13	7/1/29	1,000,000	1,104,850
Maine--.7%				
Maine Health and Higher Educational Facilities Authority, Revenue (MaineGeneral Medical Center Issue)	7.50	7/1/32	1,250,000	1,390,050
Maryland--3.1%				
Maryland Economic Development Corporation, EDR (Transportation Facilities Project)	5.75	6/1/35	1,000,000	1,013,590
Maryland Economic Development Corporation, PCR (Potomac Electric Project)	6.20	9/1/22	2,500,000	3,020,575
Maryland Economic Development Corporation, Student Housing Revenue (University of Maryland, College Park Project) (Prerefunded)	5.63	6/1/13	2,000,000 c	2,150,380
Massachusetts--11.7%				
Barclays Capital Municipal Trust Receipts (Massachusetts Health				

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and Educational Facilities Authority, Revenue (Massachusetts Institute of Technology Issue))	5.00	7/1/38	10,000,000 a,b	11,063,700
Massachusetts Development Finance Agency, Revenue (Partners HealthCare System Issue)	5.00	7/1/36	1,000,000	1,052,940

Massachusetts Development Finance Agency, Revenue (Tufts Medical Center Issue)	7.25	1/1/32	1,500,000	1,695,240
Massachusetts Health and Educational Facilities Authority, Healthcare System Revenue (Covenant Health Systems Obligated Group Issue)	6.00	7/1/31	1,970,000	1,991,020
Massachusetts Health and Educational Facilities Authority, Revenue (Suffolk University Issue)	6.25	7/1/30	2,000,000	2,180,900
Massachusetts Industrial Finance Agency, Water Treatment Revenue (Massachusetts-American Hingham Project)	6.95	12/1/35	5,235,000	5,236,309
Michigan--8.8% Detroit, Sewage Disposal System Senior Lien Revenue (Insured; Assured Guaranty Municipal Corp.)	7.50	7/1/33	2,140,000	2,605,086
Detroit, Water Supply System Senior Lien Revenue	5.00	7/1/36	1,500,000	1,486,395
Michigan Building Authority, Revenue (Facilities Program)	5.13	10/15/30	2,025,000	2,203,666
Michigan Hospital Finance Authority, HR (Henry Ford Health System)	5.00	11/15/38	1,515,000	1,515,879
Michigan Strategic Fund,				

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SWDR (Genesee Power Station Project)	7.50	1/1/21	3,885,000	3,709,010
Royal Oak Hospital Finance Authority, HR (William Beaumont Hospital Obligated Group)	8.00	9/1/29	2,500,000	3,030,375
Wayne County Airport Authority, Airport Revenue (Detroit Metropolitan Wayne County				
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Airport) (Insured; National Public Finance Guarantee Corp.)	5.00	12/1/34	3,000,000	2,949,630
Minnesota--1.7% Minneapolis, Health Care System Revenue (Fairview Health Services)	6.75	11/15/32	3,000,000	3,375,330
Minnesota Agricultural and Economic Development Board, Health Care System Revenue (Fairview Health Care Systems)	6.38	11/15/29	80,000	80,097
Mississippi--2.8% Mississippi Business Finance Corporation, PCR (System Energy Resources, Inc. Project)	5.88	4/1/22	3,500,000	3,516,450
Warren County, Gulf Opportunity Zone Revenue (International Paper Company Project)	5.38	12/1/35	2,000,000	2,027,080
Nevada--2.0% Clark County, IDR (Southwest Gas Corporation Project) (Insured; AMBAC)	6.10	12/1/38	4,000,000	4,007,480
New Jersey--3.4% New Jersey Economic Development Authority, Water Facilities Revenue (New Jersey - American Water Company, Inc. Project)	5.70	10/1/39	2,000,000	2,128,140
New Jersey Higher Education Student Assistance Authority,				

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Student Loan Revenue (Insured; Assured Guaranty Municipal Corp.)	6.13	6/1/30	2,500,000	2,654,800
Tobacco Settlement Financing Corporation of New Jersey, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/29	2,500,000	1,978,675
New Mexico--1.6%				
Farmington, PCR (Public Service Company of New Mexico San Juan Project)	5.90	6/1/40	3,000,000	3,093,900

New York--7.0%

Barclays Capital Municipal Trust Receipts (New York City Transitional Finance Authority, Future Tax Secured Revenue)	5.00	5/1/30	7,996,797 a,b	8,860,437
New York City Educational Construction Fund, Revenue	6.50	4/1/28	1,500,000	1,845,630
New York City Industrial Development Agency, PILOT Revenue (Yankee Stadium Project) (Insured; Assured Guaranty Municipal Corp.)	7.00	3/1/49	1,435,000	1,656,923
Port Authority of New York and New Jersey, Special Project Bonds (JFK International Air Terminal LLC Project)	6.00	12/1/36	1,500,000	1,581,315

North Carolina--2.6%

Barclays Capital Municipal Trust
Receipts (North Carolina
Medical Care Commission,