

DREYFUS MUNICIPAL INCOME INC  
Form N-Q  
February 20, 2018

**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      811-05652

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)

Bennett A. MacDougall, Esq.

200 Park Avenue

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

Registrant's telephone number, including area code:      (212) 922-6400

Date of fiscal year end:      09/30

Date of reporting period:      12/31/17

**FORM N-Q**

**Item 1. Schedule of Investments.**

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## STATEMENT OF INVESTMENTS

Dreyfus Municipal Income, Inc.

December 31, 2017 (Unaudited)

| Description  | Coupon Rate (%) | Maturity Date | Principal Amount (\$)    | Value (\$)        |
|--|-----------------|---------------|--------------------------|-------------------|
| <b>Long-Term Municipal Investments - 155.4%</b>  |                 |               |                          |                   |
| <b>Alabama - 3.4%</b>  |                 |               |                          |                   |
| Jefferson County,<br>Sewer Revenue Warrants  | 0/7.75          | 10/1/46       | 4,000,000 <sup>a</sup>   | 3,358,560         |
| Lower Alabama Gas District,<br>Gas Project Revenue   | 5.00            | 9/1/46        | 2,500,000                | 3,267,100         |
|  |                 |               |                          | <b>6,625,660</b>  |
| <b>Arizona - 8.1%</b>  |                 |               |                          |                   |
| La Paz County Industrial Development<br>Authority,<br>Education Facility LR (Charter Schools<br>Solutions-Harmony Public Schools<br>Project)   | 5.00            | 2/15/46       | 1,500,000 <sup>b</sup>   | 1,612,710         |
| Pinal County Electrical District Number 4,<br>Electric System Revenue (Prerefunded)  | 6.00            | 12/1/18       | 1,300,000 <sup>c</sup>   | 1,353,209         |
| Salt Verde Financial Corporation,<br>Senior Gas Revenue  | 5.00            | 12/1/37       | 2,190,000                | 2,744,858         |
| Tender Option Bond Trust Receipts<br>(Series 2016-XM0447), 1/1/38,<br>(Salt River Project Agricultural<br>Improvement and Power District, Salt<br>River Project Electric System Revenue) | 5.00            | 1/1/38        | 9,998,763 <sup>b,d</sup> | 9,998,763         |
|  |                 |               |                          | <b>15,709,540</b> |
| <b>California - 21.7%</b>  |                 |               |                          |                   |
| California,<br>GO (Various Purpose)  | 5.75            | 4/1/31        | 3,950,000                | 4,153,583         |
| California,<br>GO (Various Purpose)  | 6.00            | 3/1/33        | 1,250,000                | 1,363,550         |
| California,<br>GO (Various Purpose)  | 6.50            | 4/1/33        | 3,000,000                | 3,187,620         |
| California,<br>GO (Various Purpose)  | 6.00            | 11/1/35       | 2,500,000                | 2,703,450         |

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|   |      |        |           |           |
|---|------|--------|-----------|-----------|
| Sacramento County,<br>Airport System Subordinate and<br>Passenger Facility Charges Grant<br>Revenue | 6.00 | 7/1/35 | 2,250,000 | 2,299,793 |
| Santa Ana Community Redevelopment<br>Agency,<br>Tax Allocation Revenue (Merged<br>Project Area)     | 6.75 | 9/1/28 | 3,000,000 | 3,445,260 |

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## STATEMENT OF INVESTMENTS (Unaudited) (continued)

| Description  | Coupon<br>Rate (%) | Maturity<br>Date | Principal<br>Amount (\$)  | Value (\$)        |
|--|--------------------|------------------|---------------------------|-------------------|
| <b>Long-Term Municipal Investments - 155.4% (continued)</b>  |                    |                  |                           |                   |
| <b>California - 21.7% (continued)</b>  |                    |                  |                           |                   |
| Tender Option Bond Trust Receipts<br>(Series 2016-XM0371), 5/15/29,<br>(Los Angeles Department of Airports,<br>Senior Revenue (Los Angeles<br>International Airport)) Non-recourse | 5.25               | 5/15/18          | 10,000,000 <sup>b,d</sup> | 10,803,075        |
| Tender Option Bond Trust Receipts<br>(Series 2016-XM0387), 5/15/38,<br>(Los Angeles Department of Airports,<br>Senior Revenue (Los Angeles<br>International Airport)) Non-recourse | 5.00               | 5/15/21          | 4,000,000 <sup>b,d</sup>  | 4,503,800         |
| Tender Option Bond Trust Receipts<br>(Series 2016-XM0390), 5/15/36,<br>(The Regents of the University of<br>California, General Revenue) Non-<br>recourse                          | 5.00               | 5/15/21          | 3,750,000 <sup>b,d</sup>  | 4,293,900         |
| Tobacco Securitization Authority of<br>Southern California,<br>Tobacco Settlement Asset-Backed<br>Bonds (San Diego County Tobacco<br>Asset Securitization Corporation)             | 5.00               | 6/1/37           | 3,500,000                 | 3,508,015         |
| Tuolumne Wind Project Authority,<br>Revenue (Tuolumne Company Project)<br>(Prerefunded)  | 5.88               | 1/1/19           | 1,500,000 <sup>c</sup>    | 1,566,510         |
|  |                    |                  |                           | <b>41,828,556</b> |
| <b>Colorado - 8.3%</b>   |                    |                  |                           |                   |
| Colorado Bridge Enterprise,<br>Revenue (Central 70 Project)  | 4.00               | 6/30/51          | 1,500,000                 | 1,553,820         |
| Colorado Educational and Cultural<br>Facilities Authority,<br>Charter School Revenue (American<br>Academy Project) (Prerefunded)   | 8.00               | 12/1/18          | 1,500,000 <sup>c</sup>    | 1,616,595         |
| Colorado High Performance<br>Transportation Enterprise,  |                    |                  |                           |                   |

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|   |      |          |                          |           |
|---|------|----------|--------------------------|-----------|
| C-470 Express Lanes Senior Revenue  | 5.00 | 12/31/51 | 1,500,000                | 1,647,300 |
| E-470 Public Highway Authority,<br>Senior Revenue   | 5.25 | 9/1/25   | 1,000,000                | 1,086,230 |
| E-470 Public Highway Authority,<br>Senior Revenue   | 5.38 | 9/1/26   | 1,000,000                | 1,086,740 |
| Tender Option Bond Trust Receipts<br>(Series 2016-XM0385), 3/1/38,<br>(Board of Governors of the Colorado<br>State University, System Enterprise<br>Revenue) Non-recourse | 5.00 | 3/1/20   | 2,550,000 <sup>b,d</sup> | 2,877,216 |
| Tender Option Bond Trust Receipts<br>(Series 2016-XM0433), 11/15/43,<br>(Colorado Springs, Utilities System<br>Improvement Revenue) Recourse                              | 5.00 | 11/15/43 | 4,000,000 <sup>b,d</sup> | 4,571,640 |

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| Description   | Coupon Rate (%) | Maturity Date | Principal Amount (\$)    | Value (\$)        |
|---|-----------------|---------------|--------------------------|-------------------|
| <b>Long-Term Municipal Investments - 155.4% (continued)</b>   |                 |               |                          |                   |
| <b>Colorado - 8.3% (continued)</b>  |                 |               |                          |                   |
| University of Colorado Regents,<br>University Enterprise Revenue<br>(Prerefunded)   | 5.38            | 6/1/19        | 1,500,000 <sup>c</sup>   | 1,579,755         |
|   |                 |               |                          | <b>16,019,296</b> |
| <b>Connecticut - 1.5%</b>   |                 |               |                          |                   |
| Connecticut Health and Educational<br>Facilities Authority,<br>Revenue (Trinity Health Credit Group)                                  | 5.00            | 12/1/45       | 2,500,000                | <b>2,881,700</b>  |
| <b>District of Columbia - 4.1%</b>  |                 |               |                          |                   |
| Tender Option Bond Trust Receipts<br>(Series 2016-XM0437), 12/1/35,<br>(District of Columbia, Income Tax<br>Secured Revenue) Recourse | 5.00            | 12/1/35       | 6,999,163 <sup>b,d</sup> | <b>7,888,478</b>  |
| <b>Florida - 6.9%</b>   |                 |               |                          |                   |
| Davie,<br>Educational Facilities Revenue (Nova<br>Southeastern University Project)  | 5.63            | 4/1/43        | 1,000,000                | 1,126,460         |
| Greater Orlando Aviation Authority,<br>Airport Facilities Revenue   | 6.25            | 10/1/20       | 3,980,000                | 4,287,694         |
| Halifax Hospital Medical Center,<br>HR  | 4.00            | 6/1/41        | 1,000,000                | 1,037,660         |
| Mid-Bay Bridge Authority,<br>Springing Lien Revenue (Prerefunded)   | 7.25            | 10/1/21       | 2,500,000 <sup>c</sup>   | 2,982,100         |
| Saint Johns County Industrial<br>Development Authority,<br>Revenue (Presbyterian Retirement<br>Communities Project) (Prerefunded)     | 5.88            | 8/1/20        | 2,500,000 <sup>c</sup>   | 2,760,775         |
| South Lake County Hospital District,<br>Revenue (South Lake Hospital, Inc. )  | 6.25            | 4/1/39        | 1,000,000                | 1,050,670         |
|   |                 |               |                          | <b>13,245,359</b> |
| <b>Georgia - 3.2%</b>   |                 |               |                          |                   |
| Atlanta,<br>Water and Wastewater Revenue<br>(Prerefunded)   | 6.00            | 11/1/19       | 3,000,000 <sup>c</sup>   | 3,239,580         |

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|  |      |        |           |                  |
|--|------|--------|-----------|------------------|
| Atlanta Development Authority,<br>Senior Lien Revenue (New Downtown<br>Atlanta Stadium Project)  | 5.25 | 7/1/40 | 1,500,000 | 1,774,695        |
| Gainesville and Hall County Development<br>Authority,<br>Educational Facilities Revenue<br>(Riverside Military Academy)                | 5.00 | 3/1/37 | 1,000,000 | 1,083,710        |
|  |      |        |           | <b>6,097,985</b> |
| <b>Hawaii - 1.3%</b>   |      |        |           |                  |
| Hawaii Department of Budget and<br>Finance,<br>Special Purpose Revenue (Hawaiian<br>Electric Company, Inc. and Subsidiary<br>Projects) | 6.50 | 7/1/39 | 2,400,000 | <b>2,572,224</b> |

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## STATEMENT OF INVESTMENTS (Unaudited) (continued)

| Description   | Coupon<br>Rate (%) | Maturity<br>Date | Principal<br>Amount (\$) | Value (\$) |
|---|--------------------|------------------|--------------------------|------------|
| <b>Long-Term Municipal Investments - 155.4% (continued)</b> |                    |                  |                          |            |
| <b>Illinois - 16.2%</b>                                     |                    |                  |                          |            |
| Chicago,  |                    |                  |                          |            |
| GO (Project and Refunding Series)                           | 6.00               | 1/1/38           | 2,000,000                | 2,316,060  |
| Chicago,  |                    |                  |                          |            |
| Second Lien Wastewater Transmission                         |                    |                  |                          |            |
| Revenue   | 5.00               | 1/1/39           | 1,100,000                | 1,215,225  |
| Chicago,  |                    |                  |                          |            |
| Second Lien Water Revenue                                   | 5.00               | 11/1/28          | 1,000,000                | 1,145,190  |
| Chicago Board of Education Dedicated                        |                    |                  |                          |            |
| Capital Improvement,  |                    |                  |                          |            |
| Special Tax Revenue   | 5.00               | 4/1/46           | 1,725,000                | 1,878,818  |
| Chicago O'Hare International Airport,                       |                    |                  |                          |            |
| Revenue (General Airport Third Lien)                        | 5.63               | 1/1/35           | 270,000                  | 297,400    |
| Chicago O'Hare International Airport,                       |                    |                  |                          |            |
| Revenue (General Airport Third Lien)                        |                    |                  |                          |            |
| (Prerefunded)   | 5.63               | 1/1/21           | 730,000 <sup>c</sup>     | 814,665    |
| Illinois,   |                    |                  |                          |            |
| GO  | 5.00               | 11/1/27          | 1,150,000                | 1,264,218  |
| Illinois,   |                    |                  |                          |            |
| GO  | 5.00               | 12/1/39          | 1,150,000                | 1,231,627  |
| Illinois Finance Authority,                                 |                    |                  |                          |            |
| Revenue, Refunding (Rosalind Franklin                       |                    |                  |                          |            |
| University of Medicine & Science)                           | 5.00               | 8/1/47           | 1,350,000                | 1,491,561  |
| Metropolitan Pier and Exposition                            |                    |                  |                          |            |
| Authority,  |                    |                  |                          |            |
| Dedicated Tax Revenue (Capital                              |                    |                  |                          |            |
| Appreciation-McCormick Place                                |                    |                  |                          |            |
| Expansion Project) (Insured; MBIA                           |                    |                  |                          |            |
| Insurance Corporation)                                      | 0.00               | 12/15/36         | 2,500,000 <sup>c</sup>   | 1,099,925  |
| Metropolitan Pier and Exposition                            |                    |                  |                          |            |
| Authority,  |                    |                  |                          |            |
| Revenue (McCormick Place Expansion                          |                    |                  |                          |            |
| Project)  | 5.00               | 12/15/28         | 1,500,000                | 1,617,585  |
| Metropolitan Pier and Exposition                            |                    |                  |                          |            |

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|---|------|---------|--------------------------|-----------|
| Authority,<br>Revenue (McCormick Place Expansion<br>Project)  | 5.00 | 6/15/53 | 2,500,000                | 2,691,700 |
| Railsplitter Tobacco Settlement<br>Authority,<br>Tobacco Settlement Revenue<br>(Prerefunded)  | 6.00 | 6/1/21  | 2,000,000 <sup>c</sup>   | 2,282,380 |
| Tender Option Bond Trust Receipts<br>(Series 2016-XM0378), 12/1/32,<br>(Greater Chicago Metropolitan Water<br>Reclamation District, GO Capital<br>Improvement Bonds) Non-recourse | 5.00 | 12/1/19 | 2,500,000 <sup>b,d</sup> | 2,773,463 |
| Tender Option Bond Trust Receipts<br>(Series 2017-XM0492), 10/1/40,<br>(Illinois Finance Authority, Revenue<br>(The University of Chicago)) Non-<br>recourse                      | 5.00 | 10/1/40 | 7,000,000 <sup>b,d</sup> | 8,045,362 |

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| Description   | Coupon<br>Rate (%) | Maturity<br>Date | Principal<br>Amount (\$) | Value (\$)        |
|---|--------------------|------------------|--------------------------|-------------------|
| <b>Long-Term Municipal Investments - 155.4% (continued)</b>   |                    |                  |                          |                   |
| <b>Illinois - 16.2% (continued)</b>   |                    |                  |                          |                   |
| University of Illinois Board of Trustees,   |                    |                  |                          |                   |
| Auxiliary Facilities System Revenue   | 5.13               | 4/1/36           | 1,000,000                | 1,068,060         |
|   |                    |                  |                          | <b>31,233,239</b> |
| <b>Iowa - .7%</b>   |                    |                  |                          |                   |
| Iowa Student Loan Liquidity Corporation,  |                    |                  |                          |                   |
| Student Loan Revenue  | 5.75               | 12/1/28          | 1,335,000                | <b>1,415,140</b>  |
| <b>Kentucky - .6%</b>   |                    |                  |                          |                   |
| Kentucky Economic Development<br>Finance Authority,<br>Revenue, Refunding (Louisville Arena<br>Project) (Insured; Assured Guaranty<br>Municipal Corporation)    |                    |                  |                          |                   |
|   | 5.00               | 12/1/45          | 1,000,000                | <b>1,138,150</b>  |
| <b>Louisiana - 1.1%</b>   |                    |                  |                          |                   |
| Louisiana Local Government<br>Environmental Facilities and<br>Community Development Authority,<br>Revenue, Refunding (Westlake<br>Chemical Corporation Project) |                    |                  |                          |                   |
|   | 3.50               | 11/1/32          | 1,000,000                | 1,009,580         |
| Louisiana Public Facilities Authority,<br>Revenue (CHRISTUS Health Obligated<br>Group)  |                    |                  |                          |                   |
|   | 6.13               | 7/1/29           | 1,000,000                | 1,070,560         |
|   |                    |                  |                          | <b>2,080,140</b>  |
| <b>Maine - .7%</b>  |                    |                  |                          |                   |
| Maine Health and Higher Educational<br>Facilities Authority,<br>Revenue (Maine General Medical<br>Center Issue)   |                    |                  |                          |                   |
|   | 7.50               | 7/1/32           | 1,250,000                | <b>1,421,500</b>  |
| <b>Maryland - 4.0%</b>  |                    |                  |                          |                   |
| Maryland Economic Development<br>Corporation,<br>EDR (Transportation Facilities Project)<br>(Prerefunded)   |                    |                  |                          |                   |
|   | 5.75               | 6/1/20           | 1,000,000 <sup>c</sup>   | 1,094,760         |
| Maryland Economic Development<br>Corporation,   |                    |                  |                          |                   |

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|   |      |        |                          |                  |
|---|------|--------|--------------------------|------------------|
| PCR (Potomac Electric Project)  | 6.20 | 9/1/22 | 2,500,000                | 2,634,675        |
| Maryland Health and Higher Educational<br>Facilities Authority,<br>Revenue (Adventist HealthCare Issue)   | 5.50 | 1/1/46 | 1,500,000                | 1,738,560        |
| Tender Option Bond Trust Receipts<br>(Series 2016-XM0391), 7/1/42,<br>(Mayor and City Council of Baltimore,<br>Project Revenue (Water Projects)) Non-<br>recourse | 5.00 | 7/1/21 | 2,000,000 <sup>b,d</sup> | 2,248,840        |
|   |      |        |                          | <b>7,716,835</b> |
| <b>Massachusetts - 5.1%</b>   |      |        |                          |                  |
| Massachusetts Development Finance<br>Agency,<br>Revenue, Refunding  | 7.25 | 1/1/32 | 600,000                  | 695,100          |

## STATEMENT OF INVESTMENTS (Unaudited) (continued)

| Description   | Coupon<br>Rate (%) | Maturity<br>Date | Principal<br>Amount (\$) | Value (\$)       |
|---|--------------------|------------------|--------------------------|------------------|
| <b>Long-Term Municipal Investments - 155.4% (continued)</b>   |                    |                  |                          |                  |
| <b>Massachusetts - 5.1% (continued)</b>   |                    |                  |                          |                  |
| Massachusetts Development Finance<br>Agency,<br>Revenue, Refunding (Tufts Medical<br>Center Issue) (Prerefunded)  | 7.25               | 1/1/21           | 900,000 <sup>c</sup>     | 1,041,219        |
| Massachusetts Educational Financing<br>Authority,<br>Education Loan Revenue (Issue K)   | 5.25               | 7/1/29           | 1,660,000                | 1,808,470        |
| Massachusetts Health and Educational<br>Facilities Authority,<br>Revenue (Suffolk University Issue)   | 6.25               | 7/1/30           | 705,000                  | 753,765          |
| Massachusetts Health and Educational<br>Facilities Authority,<br>Revenue (Suffolk University Issue)<br>(Prerefunded)  | 6.25               | 7/1/19           | 1,295,000 <sup>c</sup>   | 1,383,371        |
| Tender Option Bond Trust Receipts<br>(Series 2016-XM0386), 5/1/43,<br>(University of Massachusetts Building<br>Authority, Project and Refunding<br>Revenue) Non-recourse  | 5.00               | 5/1/21           | 3,698,335 <sup>b,d</sup> | 4,134,066        |
|   |                    |                  |                          | <b>9,815,991</b> |
| <b>Michigan - 5.0%</b>  |                    |                  |                          |                  |
| Detroit,<br>Water Supply System Senior Lien<br>Revenue  | 5.00               | 7/1/31           | 1,500,000                | 1,610,160        |
| Detroit,<br>Water Supply System Senior Lien<br>Revenue  | 5.00               | 7/1/36           | 3,000,000                | 3,217,230        |
| Michigan Finance Authority,<br>Local Government Loan Program<br>Revenue (Detroit Water and Sewerage<br>Department, Water Supply System<br>Revenue Senior Lien Local Project<br>Bonds) (Insured; National Public |                    |                  |                          |                  |

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|   |      |          |                        |                  |
|---|------|----------|------------------------|------------------|
| Finance Guarantee Corp.)  | 5.00 | 7/1/36   | 500,000                | 554,660          |
| Michigan Strategic Fund,<br>SWDR (Genesee Power Station Project)  | 7.50 | 1/1/21   | 1,600,000              | 1,578,224        |
| Royal Oak Hospital Finance Authority,<br>HR (William Beaumont Hospital<br>Obligated Group) (Prerefunded)                          | 8.00 | 9/1/18   | 2,500,000 <sup>c</sup> | 2,607,450        |
|   |      |          |                        | <b>9,567,724</b> |
| <b>Minnesota - 2.4%</b>   |      |          |                        |                  |
| Minneapolis,<br>Health Care System Revenue (Fairview<br>Health Services) (Prerefunded)  | 6.75 | 11/15/18 | 3,000,000 <sup>c</sup> | 3,136,110        |
| Saint Paul Housing and Redevelopment<br>Authority,<br>Hospital Facility Revenue (HealthEast<br>Care System Project) (Prerefunded) | 5.00 | 11/15/25 | 1,200,000 <sup>c</sup> | 1,454,004        |
|   |      |          |                        | <b>4,590,114</b> |

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| Description  | Coupon<br>Rate (%) | Maturity<br>Date | Principal<br>Amount (\$) | Value (\$)       |
|--|--------------------|------------------|--------------------------|------------------|
| <b>Long-Term Municipal Investments - 155.4% (continued)</b>  |                    |                  |                          |                  |
| <b>Mississippi - 2.3%</b>  |                    |                  |                          |                  |
| Mississippi Business Finance Corporation,<br>PCR (System Energy Resources, Inc. Project)                                   | 5.88               | 4/1/22           | 2,200,000                | 2,206,204        |
| Warren County,<br>Gulf Opportunity Zone Revenue (International Paper Company Project)                                      | 5.38               | 12/1/35          | 2,000,000                | 2,240,680        |
|  |                    |                  |                          | <b>4,446,884</b> |
| <b>Missouri - 1.1%</b>   |                    |                  |                          |                  |
| Missouri Health and Educational Facilities Authority,<br>Revenue (Lutheran Senior Services Projects)                       | 5.00               | 2/1/46           | 2,000,000                | <b>2,191,760</b> |
| <b>Nebraska - .6%</b>  |                    |                  |                          |                  |
| Douglas County Hospital Authority,<br>Revenue (Childrens Hospital Obligation Group)  | 5.00               | 11/15/36         | 1,000,000                | <b>1,172,230</b> |
| <b>New Jersey - 5.6%</b>   |                    |                  |                          |                  |
| New Jersey Economic Development Authority,<br>Revenue  | 5.25               | 6/15/27          | 1,000,000                | 1,140,600        |
| New Jersey Economic Development Authority,<br>School Facilities Construction Revenue                                       | 5.25               | 6/15/40          | 1,250,000                | 1,378,550        |
| New Jersey Economic Development Authority,<br>Water Facilities Revenue (New Jersey - American Water Company, Inc. Project) | 5.70               | 10/1/39          | 2,000,000                | 2,137,940        |
| New Jersey Higher Education Student Assistance Authority,<br>Student Loan Revenue (Insured; Assured Guaranty Corp.)        | 6.13               | 6/1/30           | 1,410,000                | 1,431,136        |
| New Jersey Transportation Trust Fund Authority,  |                    |                  |                          |                  |

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|   |      |         |           |                   |
|---|------|---------|-----------|-------------------|
| Transportation Program Revenue  | 5.25 | 6/15/33 | 1,000,000 | 1,119,440         |
| South Jersey Port Subordinated Marine Terminal, Revenue                                       | 5.00 | 1/1/48  | 1,000,000 | 1,095,530         |
| Tobacco Settlement Financing Corporation of New Jersey, Tobacco Settlement Asset-Backed Bonds | 5.00 | 6/1/29  | 2,500,000 | 2,499,950         |
|   |      |         |           | <b>10,803,146</b> |
| <b>New Mexico - 1.7%</b>  |      |         |           |                   |
| Farmington, PCR (Public Service Company of New Mexico San Juan Project)                       | 5.90 | 6/1/40  | 3,000,000 | <b>3,257,730</b>  |

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## STATEMENT OF INVESTMENTS (Unaudited) (continued)

| Description  | Coupon<br>Rate (%) | Maturity<br>Date | Principal<br>Amount (\$) | Value (\$)        |
|--|--------------------|------------------|--------------------------|-------------------|
| <b>Long-Term Municipal Investments - 155.4% (continued)</b>  |                    |                  |                          |                   |
| <b>New York - 13.0%</b>  |                    |                  |                          |                   |
| New York City Educational Construction<br>Fund,<br>Revenue   | 6.50               | 4/1/28           | 1,500,000                | 1,720,140         |
| New York City Industrial Development<br>Agency,<br>PILOT Revenue (Yankee Stadium<br>Project) (Insured; Assured Guaranty<br>Corp.)  | 7.00               | 3/1/49           | 1,435,000                | 1,522,205         |
| New York Convention Center<br>Development Corporation,<br>Senior Lien Revenue (Hotel Unit Fee<br>Secured)  | 0.00               | 11/15/47         | 5,600,000 <sup>e</sup>   | 1,946,280         |
| New York Transportation Development<br>Corporation,<br>Special Facility Revenue (LaGuardia<br>Airport Terminal B Redevelopment<br>Project)   | 5.00               | 7/1/46           | 1,500,000                | 1,649,790         |
| Port Authority of New York and New<br>Jersey,<br>Special Project Bonds (JFK<br>International Air Terminal LLC Project)   | 6.00               | 12/1/36          | 1,500,000                | 1,671,090         |
| Tender Option Bond Trust Receipts<br>(Series 2016-XM0436), 6/15/44,<br>(New York City Municipal Water<br>Finance Authority, Water and Sewer<br>System Second General Resolution<br>Revenue) Recourse | 5.00               | 6/15/44          | 7,400,000 <sup>b,d</sup> | 8,186,065         |
| Tender Option Bond Trust Receipts<br>(Series 2016-XM0439), 5/1/30,<br>(New York City Transitional Finance<br>Authority, Future Tax Secured<br>Revenue) Recourse                                      | 5.00               | 5/1/30           | 7,996,798 <sup>b,d</sup> | 8,352,557         |
|  |                    |                  |                          | <b>25,048,127</b> |

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**North Carolina - 3.4%**

North Carolina Medical Care Commission

Retirement Facilities,

Revenue, Refunding (United Methodist

Retirement Homes) 5.00 10/1/47 1,000,000 1,109,190

Tender Option Bond Trust Receipts

(Series 2016-XM0444), 6/1/42,

(North Carolina Medical Care

Commission, Health Care Facilities

Revenue (Duke University Health

System)) Recourse 5.00 6/1/42 5,000,000 <sup>b,d</sup> 5,373,720

**6,482,910**

**Ohio - 1.7%**

Butler County,

Hospital Facilities Revenue (UC Health)

(Prerefunded) 5.50 11/1/20 1,050,000 <sup>c</sup> 1,154,307

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| Description  | Coupon Rate (%) | Maturity Date | Principal Amount (\$)    | Value (\$)       |
|--|-----------------|---------------|--------------------------|------------------|
| <b>Long-Term Municipal Investments - 155.4% (continued)</b>  |                 |               |                          |                  |
| <b>Ohio - 1.7% (continued)</b>   |                 |               |                          |                  |
| Butler County,<br>Hospital Facilities Revenue (UC Health)<br>(Prerefunded)   | 5.50            | 11/1/20       | 450,000 <sup>c</sup>     | 496,085          |
| Cuyahoga County Hospital,<br>Revenue (The Metrohealth System)  | 5.00            | 2/15/57       | 1,000,000                | 1,077,310        |
| Ohio Air Quality Development Authority,<br>Air Quality Revenue (Ohio Valley<br>Electric Corporation Project)   | 5.63            | 10/1/19       | 600,000                  | 620,226          |
|  |                 |               |                          | <b>3,347,928</b> |
| <b>Pennsylvania - 3.9%</b>   |                 |               |                          |                  |
| Clairton Municipal Authority,<br>Sewer Revenue   | 5.00            | 12/1/42       | 1,000,000                | 1,077,880        |
| Montgomery County Industrial<br>Development Authority,<br>Retirement Community Revenue (Adult<br>Communities Total Services, Inc.<br>Retirement - Life Communities, Inc.<br>Obligated Group) | 5.00            | 11/15/36      | 1,000,000                | 1,126,450        |
| Pennsylvania Turnpike Commission,<br>Turnpike Revenue  | 5.00            | 12/1/46       | 1,000,000                | 1,146,880        |
| Philadelphia,<br>GO (Prerefunded)  | 6.50            | 8/1/20        | 1,750,000 <sup>c</sup>   | 1,960,000        |
| Tender Option Bond Trust Receipts<br>(Series 2016-XM0373), 6/1/41,<br>(Geisinger Authority, Health System<br>Revenue (Geisinger Health System))  | 5.13            | 6/1/35        | 2,000,000 <sup>b,d</sup> | 2,171,160        |
| Non-recourse   |                 |               |                          | <b>7,482,370</b> |
| <b>South Carolina - 7.0%</b>   |                 |               |                          |                  |
| South Carolina Public Service Authority,<br>Revenue Obligations (Santee Cooper)<br>(Prerefunded)   | 5.50            | 1/1/19        | 2,760,000 <sup>c</sup>   | 2,865,763        |
| Tender Option Bond Trust Receipts<br>(Series 2016-XM0384), 12/1/43,  |                 |               |                          |                  |

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|  |      |         |                          |                   |
|--|------|---------|--------------------------|-------------------|
| (South Carolina Public Service Authority, Revenue Obligations (Santee Cooper)) Non-recourse  | 5.13 | 6/1/37  | 4,800,000 <sup>b,d</sup> | 5,375,736         |
| Tobacco Settlement Revenue Management Authority of South Carolina,   |      |         |                          |                   |
| Tobacco Settlement Asset-Backed Bonds (Escrowed to Maturity)   | 6.38 | 5/15/30 | 3,750,000                | 5,212,388         |
|  |      |         |                          | <b>13,453,887</b> |
| <b>Tennessee - 1.2%</b>  |      |         |                          |                   |
| Tender Option Bond Trust Receipts (Series 2016-XM0388), 7/1/40, (Metropolitan Government of Nashville and Davidson County, Water and Sewer Revenue) Non-recourse | 5.00 | 7/1/21  | 2,000,000 <sup>b,d</sup> | <b>2,259,310</b>  |

## STATEMENT OF INVESTMENTS (Unaudited) (continued)

| Description  | Coupon Rate (%) | Maturity Date | Principal Amount (\$)    | Value (\$) |
|--|-----------------|---------------|--------------------------|------------|
| <b>Long-Term Municipal Investments - 155.4% (continued)</b>  |                 |               |                          |            |
| <b>Texas - 11.9%</b>   |                 |               |                          |            |
| Clifton Higher Education Finance Corporation,  |                 |               |                          |            |
| Revenue (Uplift Education)   | 4.25            | 12/1/34       | 1,000,000                | 1,036,740  |
| Harris County-Houston Sports Authority, Senior Lien Revenue (Insured; Assured Guaranty Municipal Corp.)  | 0.00            | 11/15/52      | 4,000,000 <sup>e</sup>   | 829,440    |
| Houston, Airport System Subordinate Lien Revenue   | 5.00            | 7/1/25        | 1,300,000                | 1,419,041  |
| La Vernia Higher Education Finance Corporation,  |                 |               |                          |            |
| Education Revenue (Knowledge is Power Program, Inc.) (Prerefunded)   | 6.25            | 8/15/19       | 2,250,000 <sup>c</sup>   | 2,411,775  |
| North Texas Education Finance Corporation,   |                 |               |                          |            |
| Education Revenue (Uplift Education)   | 5.13            | 12/1/42       | 2,000,000                | 2,134,240  |
| North Texas Tollway Authority, First Tier System Revenue (Insured; Assured Guaranty Corp.)   | 5.75            | 1/1/40        | 235,000                  | 235,000    |
| Tender Option Bond Trust Receipts (Series 2016-XM0377), 2/1/43, (San Antonio, Electric and Gas Systems Junior Lien Revenue) Non-recourse                       | 5.00            | 2/1/21        | 6,300,000 <sup>b,d</sup> | 7,026,799  |
| Tender Option Bond Trust Receipts (Series 2016-XM0443), 5/15/39, (Texas A&M University System Board of Regents, Financing System Revenue) Recourse             | 5.00            | 5/15/39       | 5,000,000 <sup>b,d</sup> | 5,380,840  |
| Texas Private Activity Bond Surface Transportation Corporation, Senior Lien Revenue (Blueridge Transportation Group, LLC State Highway 288 Toll Lanes Project) | 5.00            | 12/31/50      | 1,200,000                | 1,330,752  |

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|  |      |          |                          |                   |
|--|------|----------|--------------------------|-------------------|
| Texas Private Activity Bond Surface    |      |          |                          |                   |
| Transportation Corporation,            |      |          |                          |                   |
| Senior Lien Revenue (Blueridge         |      |          |                          |                   |
| Transportation Group, LLC State        |      |          |                          |                   |
| Highway 288 Toll Lanes Project)        | 5.00 | 12/31/55 | 1,000,000                | 1,105,280         |
|  |      |          |                          | <b>22,909,907</b> |
| <b>Virginia - 1.2%</b>                 |      |          |                          |                   |
| Virginia Small Business Financing      |      |          |                          |                   |
| Authority,                             |      |          |                          |                   |
| Private Activity Revenue (Transform 66 |      |          |                          |                   |
| P3 Project)                            | 5.00 | 12/31/56 | 2,000,000                | <b>2,240,500</b>  |
| <b>Washington - 3.3%</b>               |      |          |                          |                   |
| Tender Option Bond Trust Receipts      |      |          |                          |                   |
| (Series 2017-XF2423), 1/1/29,          |      |          |                          |                   |
| (King County, Server Revenue)          |      |          |                          |                   |
| Recourse                               | 5.00 | 1/1/29   | 2,999,037 <sup>b,d</sup> | 3,276,507         |

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| Description  | Coupon<br>Rate (%) | Maturity<br>Date | Principal<br>Amount (\$) | Value (\$)           |
|--|--------------------|------------------|--------------------------|----------------------|
| <b>Long-Term Municipal Investments - 155.4% (continued)</b>  |                    |                  |                          |                      |
| <b>Washington - 3.3% (continued)</b>   |                    |                  |                          |                      |
| Washington Health Care Facilities<br>Authority,<br>Mortgage Revenue (Highline Medical<br>Center) (Collateralized; FHA)<br>(Prerefunded)      | 6.25               | 8/1/18           | 1,590,000 <sup>c</sup>   | 1,631,117            |
| Washington Health Care Facilities<br>Authority,<br>Revenue (Catholic Health Initiatives)   | 6.38               | 10/1/36          | 1,500,000                | 1,545,240            |
|  |                    |                  |                          | <b>6,452,864</b>     |
| <b>West Virginia - .5%</b>   |                    |                  |                          |                      |
| The County Commission of Harrison<br>County,<br>SWDR (Allegheny Energy Supply<br>Company, LLC Harrison Station Project)                      | 5.50               | 10/15/37         | 1,000,000                | <b>1,001,320</b>     |
| <b>Wisconsin - .6%</b>   |                    |                  |                          |                      |
| Public Finance Authority,<br>Revenue (Denver International Airport<br>Great Hall Project)  | 5.00               | 9/30/37          | 1,000,000                | <b>1,151,390</b>     |
| <b>U.S. Related - 2.1%</b>   |                    |                  |                          |                      |
| Guam,<br>LOR (Section 30) (Prerefunded)<br>Puerto Rico Commonwealth,<br>Public Improvement GO (Insured;<br>Assured Guaranty Municipal Corp.) | 5.75               | 12/1/19          | 1,500,000 <sup>c</sup>   | 1,615,800            |
| Puerto Rico Highway and Transportation<br>Authority,<br>Highway Revenue (Insured; Assured<br>Guaranty Municipal Corporation)                 | 5.00               | 7/1/35           | 1,250,000                | 1,279,200            |
|  | 5.25               | 7/1/34           | 1,000,000                | 1,101,440            |
|  |                    |                  |                          | <b>3,996,440</b>     |
| <b>Total Investments</b> (cost \$276,224,988)  |                    |                  | <b>155.4 %</b>           | <b>299,546,334</b>   |
| <b>Liabilities, Less Cash and Receivables</b>  |                    |                  | <b>(29.5 %)</b>          | <b>(56,786,015 )</b> |
| <b>Preferred Stock, at redemption value</b>  |                    |                  | <b>(25.9 %)</b>          | <b>(50,000,000 )</b> |
| <b>Net Assets Applicable to Common Shareholders</b>  |                    |                  | <b>100.0 %</b>           | <b>192,760,319</b>   |

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<sup>a</sup> Zero coupon until a specified date at which time the stated coupon rate becomes effective until maturity.

<sup>b</sup> Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2017, these securities were valued at \$111,154,007 or 57.66% of net assets.

<sup>c</sup> 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.

<sup>d</sup> Collateral for floating rate borrowings.

<sup>e</sup> Security issued with a zero coupon. Income is recognized through the accretion of discount.

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STATEMENT OF INVESTMENTS

Dreyfus Municipal Income, Inc.

December 31, 2017 (Unaudited)

The following is a summary of the inputs used as of December 31, 2017 in valuing the fund's investments:

|                                   | Level 1 -<br>Unadjusted<br>Quoted Prices | Level 2 - Other<br>Significant<br>Observable<br>Inputs | Level 3 -<br>Significant<br>Unobservable<br>Inputs | Total                |
|-----------------------------------|--|--|--|----------------------|
| <b>Assets (\$)</b>                |  |  |  |                      |
| Investments in Securities:        |  |  |  |                      |
| Municipal Bonds <sup>†</sup>      | -  | 299,546,334  | -  | <b>299,546,334</b>   |
| <b>Liabilities (\$)</b>           |  |  |  |                      |
| Floating Rate Notes <sup>††</sup> | -  | (60,267,096 )  | -  | <b>(60,267,096 )</b> |

<sup>†</sup> See Statement of Investments for additional detailed categorizations.

<sup>††</sup> Certain of the fund's liabilities are held at carrying amount, which approximates fair value for financial reporting purposes.

## NOTES

The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification is the exclusive reference of authoritative U.S. generally accepted accounting principles (“GAAP”) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (“SEC”) under authority of federal laws are also sources of authoritative GAAP for SEC registrants. The fund’s financial statements are prepared in accordance with GAAP, which may require the use of management estimates and assumptions. Actual results could differ from those estimates.

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price). GAAP establishes a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Additionally, GAAP provides guidance on determining whether the volume and activity in a market has decreased significantly and whether such a decrease in activity results in transactions that are not orderly. GAAP requires enhanced disclosures around valuation inputs and techniques used during annual and interim periods.

Various inputs are used in determining the value of the fund’s investments relating to fair value measurements. These inputs are summarized in the three broad levels listed below:

**Level 1**—unadjusted quoted prices in active markets for identical investments.

**Level 2**—other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).

**Level 3**—significant unobservable inputs (including the fund’s own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. Valuation techniques used to value the fund’s investments are as follows: Investments in securities are valued each business day by an independent pricing service (the “Service”) approved by the fund’s Board Members (the “Board”) Investments for which quoted bid prices are readily available and are representative of the bid side of the market in the judgment of the Service are valued at the mean between the quoted bid prices (as obtained by the Service from dealers in such securities) and asked prices (as calculated by the Service based upon its evaluation of the market for such securities). Other investments (which constitute a majority of the portfolio securities) are carried at

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## NOTES

fair value as determined by the Service, based on methods which include consideration of the following: yields or prices of municipal securities of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions. All of the preceding securities are generally categorized within Level 2 of the fair value hierarchy.

The Service is engaged under the general supervision of the Board.

When market quotations or official closing prices are not readily available, or are determined to not accurately reflect fair value, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded, but before the fund calculates its net asset value, the fund may value these investments at fair value as determined in accordance with the procedures approved by the Board. Certain factors may be considered when fair valuing investments such as: fundamental analytical data, the nature and duration of restrictions on disposition, an evaluation of the forces that influence the market in which the securities are purchased and sold, and public trading in similar securities of the issuer or comparable issuers. These securities are either categorized within Level 2 or 3 of the fair value hierarchy depending on the relevant inputs used.

For restricted securities where observable inputs are limited, assumptions about market activity and risk are used and are generally categorized within Level 3 of the fair value hierarchy.

**Inverse Floater Securities:** The fund participates in secondary inverse floater structures in which fixed-rate, tax-exempt municipal bonds are transferred to a trust (the "Inverse Floater Trust"). The Inverse Floater Trust typically issues two variable rate securities that are collateralized by the cash flows of the fixed-rate, tax-exempt municipal bonds. One of these variable rate securities pays interest based on a short-term floating rate set by a remarketing agent at predetermined intervals ("Trust Certificates"). A residual interest tax-exempt security is also created by the Inverse Floater Trust, which is transferred to the fund, and is paid interest based on the remaining cash flows of the Inverse Floater Trust, after payment of interest on the other securities and various expenses of the Inverse Floater Trust. An Inverse Floater Trust may be collapsed without the consent of the fund due to certain termination events such as bankruptcy, default or other credit event.

The fund accounts for the transfer of bonds to the Inverse Floater Trust as secured borrowings, with the securities transferred remaining in the fund's investments, and the Trust Certificates reflected as fund liabilities in the Statement of Assets and Liabilities.

The fund may invest in inverse floater securities on either a non-recourse or recourse basis. These securities are typically supported by a liquidity facility provided by a bank or other financial institution (the "Liquidity Provider") that allows the holders of the Trust Certificates to tender their certificates in exchange for payment from the Liquidity Provider of par plus accrued interest on any business day prior to a termination event. When the fund invests in inverse floater securities on a non-recourse basis, the Liquidity

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## NOTES

Provider is required to make a payment under the liquidity facility due to a termination event to the holders of the Trust Certificates. When this occurs, the Liquidity Provider typically liquidates all or a portion of the municipal securities held in the Inverse Floater Trust. A liquidation shortfall occurs if the Trust Certificates exceed the proceeds of the sale of the bonds in the Inverse Floater Trust ("Liquidation Shortfall"). When a fund invests in inverse floater securities on a recourse basis, the fund typically enters into a reimbursement agreement with the Liquidity Provider where the fund is required to repay the Liquidity Provider the amount of any Liquidation Shortfall. As a result, a fund investing in a recourse inverse floater security bears the risk of loss with respect to any Liquidation Shortfall.

At December 31, 2017, accumulated net unrealized appreciation on investments was \$23,321,346, consisting of \$23,394,919 gross unrealized appreciation and \$73,573 gross unrealized depreciation.

At December 31, 2017, the cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes (see the Statement of Investments).

Additional investment related disclosures are hereby incorporated by reference to the annual and semi-annual reports previously filed with the SEC on Form N-CSR.

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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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**FORM N-Q**

**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, Inc.

By: /s/ Bradley J. Skapyak

Bradley J. Skapyak

President

Date: February 16, 2018

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/ Bradley J. Skapyak

Bradley J. Skapyak

President

Date: February 16, 2018

By: /s/ James Windels

James Windels

Treasurer

Date: February 16, 2018

**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)