

DREYFUS STRATEGIC MUNICIPAL BOND FUND INC  
Form N-CSR/A  
November 12, 2013

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES

Investment Company Act file number      811- 5877

**Dreyfus Strategic Municipal Bond 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)

Janette E. 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:      11/30

Date of reporting period:      11/30/11

**FORM N-CSR**

**Item 1. Reports to Stockholders.**

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# Dreyfus Strategic Municipal Bond Fund, Inc.

**ANNUAL REPORT** November 30, 2011

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## **Dreyfus Strategic Municipal Bond Fund, Inc.**

### **Protecting Your Privacy**

#### **Our Pledge to You**

**THE FUND IS COMMITTED TO YOUR PRIVACY.** On this page, you will find the Fund's policies and practices for collecting, disclosing, and safeguarding nonpublic personal information, which may include financial or other customer information. These policies apply to individuals who purchase Fund shares for personal, family, or household purposes, or have done so in the past. This notification replaces all previous statements of the Fund's consumer privacy policy, and may be amended at any time. We'll keep you informed of changes as required by law.

**YOUR ACCOUNT IS PROVIDED IN A SECURE ENVIRONMENT.** The Fund maintains physical, electronic and procedural safeguards that comply with federal regulations to guard nonpublic personal information. The Fund's agents and service providers have limited access to customer information based on their role in servicing your account.

#### **THE FUND COLLECTS INFORMATION IN ORDER TO SERVICE AND ADMINISTER YOUR ACCOUNT.**

The Fund collects a variety of nonpublic personal information, which may include:

- Information we receive from you, such as your name, address, and social security number.
- Information about your transactions with us, such as the purchase or sale of Fund shares.
- Information we receive from agents and service providers, such as proxy voting information.

#### **THE FUND DOES NOT SHARE NONPUBLIC PERSONAL INFORMATION WITH ANYONE, EXCEPT AS PERMITTED BY LAW.**

*Thank you for this opportunity to serve you.*

The views expressed in this report reflect those of the portfolio manager only through the end of the period covered and do not necessarily represent the views of Dreyfus or any other person in the Dreyfus organization. Any such views are subject to change at any time based upon market or other conditions and Dreyfus disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Dreyfus fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Dreyfus fund.

Not FDIC-Insured Not Bank-Guaranteed May Lose Value

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Dreyfus  
Strategic Municipal Bond Fund, Inc.

# The Fund

## A LETTER FROM THE CHAIRMAN AND CEO

Dear Shareholder:

We are pleased to present this annual report for Dreyfus Strategic Municipal Bond Fund, Inc., covering the 12-month period from December 1, 2010, through November 30, 2011. For information about how the fund performed during the reporting period, as well as general market perspectives, we provide a Discussion of Fund Performance on the pages that follow.

Investors were encouraged by expectations of a more robust economic recovery into the first quarter of 2011, but sentiment subsequently deteriorated due to disappointing economic data, an escalating sovereign debt crisis in Europe and a contentious debate regarding taxes,

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spending and borrowing in the United States. Market volatility was particularly severe in August and September after a major credit rating agency downgraded long-term U.S. government debt. While most fixed-income securities proved volatile in this tumultuous environment, municipal bonds held up relatively well due to robust demand for a limited supply of newly issued securities.

The economic outlook currently remains clouded by uncertainty regarding the ability of European policymakers to contain the region's debt crisis. However, conditions in the United States seem to be improving as inflationary pressures have receded, consumer confidence has strengthened and the unemployment rate has declined. To assess the potential impact of these and other developments on your investments, we encourage you, as always, to speak with your financial advisor.

Thank you for your continued confidence and support.

Jonathan R. Baum  
Chairman and Chief Executive Officer  
The Dreyfus Corporation  
December 15, 2011

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## DISCUSSION OF FUND PERFORMANCE

*For the period of December 1, 2010, through November 30, 2011*

### Fund and Market Performance Overview

For the 12-month period ended November 30, 2011, Dreyfus Strategic Municipal Bond Fund achieved a total return of 10.72% on a net-asset-value basis.<sup>1</sup> Over the same period, the fund provided aggregate income dividends of \$0.570 per share, which reflects a distribution rate of 6.79%.<sup>2</sup>

After encountering weak market conditions over the final weeks of 2010, municipal bonds generally rebounded in 2011 as a reduced supply of newly issued securities was met by robust investor demand. The fund's results were enhanced by its leveraging strategy, which continued to benefit from historically low short-term interest rates.

### The Fund's Investment Approach

The fund seeks to maximize current income exempt from federal income tax to the extent believed by Dreyfus to be consistent with the preservation of capital. In pursuing this goal, the fund invests at least 80% of its assets in municipal bonds. Under normal market conditions, the weighted average maturity of the fund's portfolio is expected to exceed 10 years. Under normal market conditions, the fund invests at least 80% of its net assets in municipal bonds considered investment grade or the unrated equivalent as determined by Dreyfus.

The fund also has issued auction-rate preferred stock (ARPS), a percentage of which remains outstanding from its initial public offering, and has invested the proceeds in a manner consistent with its investment objective. This, along with the fund's participation in secondary inverse floater structures, have the effect of "leveraging" the portfolio, which can magnify gain and loss potential depending on market conditions.

Over time, many of the fund's older, higher yielding bonds have matured or were redeemed by their issuers. We have attempted to replace those bonds with investments consistent with the fund's investment policies. We have also sought to upgrade the fund with newly issued bonds that, in our opinion, have better structural or income characteristics than

The Fund

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DISCUSSION OF FUND PERFORMANCE *(continued)*

existing holdings. When such opportunities arise, we usually look to sell bonds that are close to their optional redemption date or maturity.

#### Municipal Bonds Held Up Relatively Well Amid Uncertainty

Stimulative measures from the Federal Reserve Board, improved economic data and rising corporate earnings generally supported investor sentiment into the first quarter of 2011. While investor confidence was shaken in February due to political unrest in the Middle East, and again in March, when natural and nuclear disasters struck Japan, most markets bounced back quickly from these unexpected shocks.

Economic sentiment began to deteriorate in earnest in late April when Greece and other members of the European Union struggled with a resurgent sovereign debt crisis, U.S. economic data disappointed as unemployment remained high and housing markets struggled, and a debate regarding U.S. government spending and borrowing intensified. In August, one major credit rating agency made the unprecedented move of downgrading its assessment of long-term U.S. debt. As a result, riskier assets suffered volatility as investors shifted their focus to traditionally defensive investments.

Despite these developments, municipal bond prices were buoyed in 2011 by steady investor demand for a limited supply of newly issued securities, more than offsetting the effects of market weakness at the end of 2010. The expiration of the federally subsidized Build America Bonds program and political pressure to reduce spending led to less municipal borrowing during 2011. Yet, demand remained robust from investors seeking competitive levels of tax-exempt income.

#### Revenue Bonds Buoyed Relative Performance

The fund's results were driven by strong performance among longer-term bonds, which fared well when long-term interest rates fell amid deteriorating economic conditions during much of the reporting period. In addition, the ongoing use of auction rate preferred instruments for the fund's leveraging strategy proved effective as the fund's borrowing costs remained anchored by historically low short-term interest rates.

We maintained underweighted exposure to general obligation bonds amid uncertainty regarding the potential impact of federal budget cuts

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on state budgets. Instead, we focused on revenue bonds backed by essential-services facilities — such as utilities, waterworks and sewer districts—which fared well over the reporting period. Although the fund encountered relatively few disappointments over the reporting period, bonds backed by the states' settlement of litigation with U.S. tobacco companies were hurt by credit-rating downgrades.

#### Investing in a Slow-Growth Environment

Throughout the reporting period, we took steps to improve the fund's risk profile by increasing the credit quality of its holdings, including municipal bonds that historically have been attractive to individual investors. In our view, such securities are likely to be the focus of robust demand as individuals grow more concerned about persistently low interest rates and potential tax increases. At the same time, we intend to remain vigilant in monitoring economic and market developments, including risks stemming from changes in interest rates and credit conditions, until the direction and strength of the U.S. economy become clearer.

December 15, 2011

*Bond funds are subject generally to interest rate, credit, liquidity and market risks, to varying degrees, all of which are more fully described in the fund's prospectus. Generally, all other factors being equal, bond prices are inversely related to interest-rate changes, and rate increases can cause price declines.*

*High yield bonds are subject to increased credit risk and are considered speculative in terms of the issuer's perceived ability to continue making interest payments on a timely basis and to repay principal upon maturity.*

*The use of leverage may magnify the fund's gains or losses. For derivatives with a leveraging component, adverse changes in the value or level of the underlying asset can result in a loss that is much greater than the original investment in the derivative.*

*1 Total return includes reinvestment of dividends and any capital gains paid, based upon net asset value per share. Past performance is no guarantee of future results. Income may be subject to state*

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and local taxes, and some income may be subject to the federal alternative minimum tax (AMT) for certain investors. Capital gains, if any, are fully taxable. Return figures provided reflect the absorption of certain fund expenses by The Dreyfus Corporation pursuant to an undertaking in effect through May 31, 2012, at which time it may be extended, terminated or modified. Had these expenses not been absorbed, the fund's returns would have been lower.

- 2 Distribution rate per share is based upon dividends per share paid from net investment income during the period, divided by the market price per share at the end of the period, adjusted for any capital gain distributions.

The Fund

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### SELECTED INFORMATION

November 30, 2011 (Unaudited)

Market Price per share November 30, 2011	\$	8.39
Shares Outstanding November 30, 2011		48,751,823
New York Stock Exchange Ticker Symbol		DSM

### MARKET PRICE (NEW YORK STOCK EXCHANGE)

Fiscal Year Ended November 30, 2011						
	Quarter Ended	Quarter Ended	Quarter Ended	Quarter Ended	Quarter Ended	Quarter Ended
	February 28, 2011	May 31, 2011	August 31, 2011	November 30, 2011	November 30, 2011	November 30, 2011
High	\$7.83	\$7.91	\$8.27	\$8.56	\$8.56	\$8.56
Low	7.09	7.41	7.43	7.84	7.84	7.84
Close	7.48	7.85	8.27	8.39	8.39	8.39

### PERCENTAGE GAIN (LOSS) based on change in Market Price\*

November 22, 1989 (commencement of operations) through November 30, 2011	271.75 %
December 1, 2001 through November 30, 2011	92.41
December 1, 2006 through November 30, 2011	25.48
December 1, 2010 through November 30, 2011	13.67
March 1, 2011 through November 30, 2011	18.41
June 1, 2011 through November 30, 2011	10.72
September 1, 2011 through November 30, 2011	3.24

**NET ASSET VALUE PER SHARE**

November 22, 1989 (commencement of operations)	\$9.32
November 30, 2010	7.87
February 28, 2011	7.51
May 31, 2011	7.79
August 31, 2011	8.03
November 30, 2011	8.10

**PERCENTAGE GAIN** based on change in Net Asset Value\*

November 22, 1989 (commencement of operations)	
through November 30, 2011	285.10 %
December 1, 2001 through November 30, 2011	79.40
December 1, 2006 through November 30, 2011	22.19
December 1, 2010 through November 30, 2011	10.72
March 1, 2011 through November 30, 2011	13.86
June 1, 2011 through November 30, 2011	7.71
September 1, 2011 through November 30, 2011	2.65

\* *With dividends reinvested.*

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**STATEMENT OF INVESTMENTS**

November 30, 2011

<b>Long-Term Municipal Investments—146.9%</b>	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Alabama—0.2%</b>				
Jefferson County, Limited Obligation School Warrants	5.00	1/1/24	1,000,000	888,460
<b>Arizona—7.5%</b>				
Barclays Capital Municipal Trust Receipts (Salt River Project Agricultural Improvement and				

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Power District, Salt River Project Electric System Revenue)	5.00	1/1/38	13,198,367 <sup>a,b</sup>	13,799,363
Glendale Western Loop 101 Public Facilities Corporation, Third Lien Excise Tax Revenue	7.00	7/1/33	6,010,000	6,311,161
Pima County Industrial Development Authority, Education Revenue (American Charter Schools Foundation Project)	5.50	7/1/26	4,000,000	3,430,640
Pima County Industrial Development Authority, IDR (Tucson Electric Power Company Project)	5.75	9/1/29	6,000,000	6,119,700
<b>California—15.9%</b>				
Barclays Capital Municipal Trust Receipts (Los Angeles Department of Airports, Senior Revenue (Los Angeles International Airport))	5.00	5/15/31	5,247,500 <sup>a,b,c</sup>	5,568,590
California, GO (Various Purpose)	5.75	4/1/31	7,800,000	8,589,672
California, GO (Various Purpose)	6.00	3/1/33	2,250,000	2,525,670
California, GO (Various Purpose)	6.50	4/1/33	5,000,000	5,834,300
California, GO (Various Purpose)	6.00	11/1/35	5,000,000	5,581,200
California Statewide Communities Development Authority, Revenue (Front Porch Communities and Services Project)	5.13	4/1/37	4,975,000 <sup>b</sup>	4,184,323
Golden State Tobacco Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	4.50	6/1/27	2,000,000	1,593,700

The Fund

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STATEMENT OF INVESTMENTS (continued)

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<b>Long-Term Municipal Investments (continued)</b>	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>California (continued)</b>				
Golden State Tobacco Securitization Corporation, Tobacco Settlement				
Asset-Backed Bonds	5.00	6/1/33	8,335,000	5,688,471
Los Angeles Department of Water and Power, Power System Revenue	5.00	7/1/34	2,885,000	3,018,778
Sacramento City Unified School District, GO (Insured; Assured Guaranty Municipal Corp.)	0.00	7/1/24	5,220,000 <sup>d</sup>	2,752,871
Sacramento County, Airport System Subordinate and Passenger Facility Charges Grant Revenue	6.00	7/1/35	4,000,000 <sup>c</sup>	4,290,280
San Buenaventura, Revenue (Community Memorial Health System)	7.50	12/1/41	1,500,000	1,575,300
San Diego Public Facilities Financing Authority, Senior Sewer Revenue	5.25	5/15/34	2,500,000	2,657,500
Santa Margarita/Dana Point Authority, Revenue (Santa Margarita Water District Improvement Districts Numbers 2,3 and 4)	5.13	8/1/38	5,000,000	5,235,200
Silicon Valley Tobacco Securitization Authority, Tobacco Settlement				
Asset-Backed Bonds (Santa Clara County Tobacco Securitization Corporation)	0.00	6/1/36	15,290,000 <sup>d</sup>	1,499,490
Tuolumne Wind Project Authority, Revenue (Tuolumne Company Project)	5.88	1/1/29	2,000,000	2,216,960
<b>Colorado—.3%</b>				
Colorado Housing and Finance Authority, Single Family Program Senior and Subordinate Bonds (Collateralized; FHA)	6.60	8/1/32	955,000	1,024,008

<b>Long-Term Municipal Investments (continued)</b>	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Connecticut—1.3%</b>				
Connecticut Resources Recovery Authority, Special Obligation Revenue (American REF-FUEL Company of Southeastern Connecticut Project)				
	6.45	11/15/22	4,985,000	4,985,100
<b>Florida—7.7%</b>				
Florida, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds				
	5.00	7/1/24	3,500,000	3,995,775
Highlands County Health Facilities Authority, HR (Adventist Health System/Sunbelt Obligated Group)				
	5.00	11/15/27	3,500,000	3,614,590
Mid-Bay Bridge Authority, Springing Lien Revenue				
	7.25	10/1/34	5,000,000 <sup>C</sup>	5,268,750
Orange County School Board, COP (Master Lease Purchase				