

DREYFUS STRATEGIC MUNICIPALS INC  
Form DEF 14A  
April 22, 2005

**DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
DREYFUS STRATEGIC MUNICIPALS, INC.**

***Notice of Annual Meeting of Stockholders***

To the Stockholders:

The Annual Meeting of Stockholders of each of Dreyfus Strategic Municipal Bond Fund, Inc. and Dreyfus Strategic Municipals, Inc. (each, a "Fund" and, collectively, the "Funds") will be held at the offices of The Dreyfus Corporation, 200 Park Avenue, 7th Floor, New York, New York, on Thursday, May 26, 2005 at 10:00 a.m., for the following purposes:

1. To elect Directors to serve for a three-year term and until their successors are duly elected and qualified.
2. To transact such other business as may properly come before the meeting, or any adjournment or adjournments thereof.

Stockholders of record at the close of business on April 5, 2005 will be entitled to receive notice of and to vote at the meeting.

New York, New York  
April 25, 2005

**WE NEED YOUR PROXY VOTE**

**A STOCKHOLDER MAY THINK HIS OR HER VOTE IS NOT IMPORTANT, BUT IT IS VITAL. BY LAW, THE ANNUAL MEETING OF STOCKHOLDERS OF A FUND WILL HAVE TO BE ADJOURNED WITHOUT CONDUCTING ANY BUSINESS IF LESS THAN A QUORUM IS REPRESENTED. IN THAT EVENT, THE AFFECTED FUND WOULD CONTINUE TO SOLICIT VOTES IN AN ATTEMPT TO ACHIEVE A QUORUM. CLEARLY, YOUR VOTE COULD BE CRITICAL TO ENABLE THE FUND TO HOLD THE MEETING AS SCHEDULED, SO PLEASE RETURN YOUR PROXY CARD OR OTHERWISE VOTE PROMPTLY. YOU AND ALL OTHER STOCKHOLDERS WILL BENEFIT FROM YOUR COOPERATION.**

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**DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.  
DREYFUS STRATEGIC MUNICIPALS, INC.**

**COMBINED PROXY STATEMENT**

***Annual Meeting of Stockholders***

**to be held on Thursday, May 26, 2005**

This proxy statement is furnished in connection with a solicitation of proxies by the Board of Directors of each of Dreyfus Strategic Municipal Bond Fund, Inc. ("DSMB") and Dreyfus Strategic Municipals, Inc. ("DSM") (each, a "Fund" and, collectively, the "Funds") to be used at the Annual Meeting of Stockholders of each Fund to be held on Thursday, May 26, 2005 at 10:00 a.m., at the offices of The Dreyfus Corporation ("Dreyfus"), 200 Park Avenue, 7th Floor, New York, New York, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. Stockholders of record at the close of business on April 5, 2005 are entitled to be present and to vote at the meeting. Stockholders are entitled to one vote for each Fund share held and fractional votes for each fractional Fund share held. Stockholders can vote only on matters affecting the Fund(s) in which they hold shares. If a proposal is approved by stockholders of one Fund and not approved by stockholders of the other Fund, the proposal will be implemented only for the Fund that approved the proposal. Therefore, it is essential that stockholders who own shares in both Funds complete, date, sign and return each proxy card they receive. Shares represented by executed and unrevoked proxies will be voted in accordance with the specifications made thereon. If any enclosed form of proxy is executed and returned, it nevertheless may be revoked by a proxy given later. To be effective, such revocation must be received prior to the meeting. In addition, any stockholder who attends the meeting in person may vote by ballot at the meeting, thereby canceling any proxy previously given. As of April 5, 2005, the Funds had outstanding the following number of shares:

<u>Name of Fund</u>	<u>Common Stock Outstanding</u>	<u>Auction Preferred Stock Outstanding</u>
DSMB	48,181,284	7,440
DSM	60,528,817	11,400

It is estimated that proxy materials will be mailed to stockholders of record on or about April 25, 2005. The principal executive offices of each Fund are located at 200 Park Avenue, New York, New York 10166. **Copies of each Fund's most recent Annual and Semi-Annual Reports are available upon request, without charge, by writing to the Fund at 144 Glenn Curtiss Boulevard, Uniondale, New York 11556-0144, or by calling toll-free 1-800-334-6899.**

A quorum is constituted by the presence in person or by proxy of the holders of a majority of the outstanding shares of the Fund entitled to vote at the meeting. If a proposal is to be voted upon by only one class of a Fund's shares, a quorum of that class of shares (the holders of a majority of the outstanding shares of the class) must be present in person or by proxy at the meeting in order for the proposal to be considered. Each Fund has two classes of capital stock: Common Stock, par value \$0.001 per share (the "Common Stock"), and Auction Preferred Stock, par value \$0.001 per share, liquidation preference \$25,000 per share (the "APS"). The APS is further divided into Series A, Series B and Series C for DSMB and Series M, Series T, Series W, Series TH and Series F for DSM. Currently, no proposal is expected to be presented at the meeting that would require separate voting for each Series of APS.

**PROPOSAL 1: ELECTION OF DIRECTORS**

Each Fund's Board of Directors is divided into three classes with the term of office of one class expiring each year. It is proposed that stockholders of each Fund consider the election of the individuals listed below (the "Nominees") as Directors of the indicated class of such Fund, to serve for three-year terms and until their respective successors are duly elected and qualified. With respect to DSMB, Messrs. David W. Burke, Hans C. Mautner and John E. Zuccotti are nominated to be elected as Class III Directors to serve for a three-year term. With respect to DSM, Mr. Ehud Houminer and Ms. Robin A. Melvin are nominated to be elected as Class II Directors to serve for a three-year term. Mr. Houminer and Ms. Melvin also are continuing Class II Directors of DSMB and Messrs. Burke, Mautner and Zuccotti also are continuing Class III Directors of DSM. Each Nominee also currently serves as a Director of the Fund for which their election is proposed. Each Nominee has consented to being named in this proxy statement and has agreed to continue to serve as a Director of the indicated Fund if elected. Biographical information about each Nominee is set forth below. Biographical information about each

Fund's Continuing Directors, information on each Nominee's and Continuing Director's ownership of Fund shares and other relevant information is set forth on Exhibit A. Unless otherwise indicated, information set forth herein applies to both Funds.

Under the terms of each Fund's Charter, holders of the APS voting as a single class are entitled, to the exclusion of holders of the Common Stock, to elect two Directors. Mr. Zuccotti was elected in 2003 as a Class III Director for APS holders of DSM to serve for a three year term. He currently is a nominee for election by holders of DSMB's APS as a Class III Director. The other Director designated for holders of APS, Ms. Melvin, was elected as a Class II Director for APS holders of DSMB last year to serve for a three year term. Ms. Melvin currently is a nominee for election by holders of DSM's APS as a Class II Director.

Voting with regard to the election of Directors will be as follows: for DSMB, holders of Common Stock and APS will vote together as a single class with respect to the election of Class III Directors Messrs. Burke and Mautner; and for DSM, holders of Common Stock and APS will vote together as a single class with respect to the election of Class II Director Mr. Houminer, but APS holders will vote separately, to the exclusion of holders of the Common Stock, with respect to the election of Ms. Melvin as a Class II Director who is nominated to represent the APS of DSM and Mr. Zuccotti as a Class III Director who is nominated to represent the APS of DSMB.

The persons named as proxies on the accompanying proxy card(s) intend to vote each such proxy for the election of the Nominees, unless stockholders specifically indicate on their proxies the desire to withhold authority to vote for elections to office. It is not contemplated that any Nominee will be unable to serve as a Director for any reason, but if that should occur prior to the meeting, the proxyholders reserve the right to substitute another person or persons of their choice as nominee or nominees.

None of the Nominees or Continuing Directors are "interested persons" of either Fund, as defined in the Investment Company Act of 1940, as amended (the "1940 Act"). As independent directors of investment companies, they play a critical role in overseeing fund operations and policing potential conflicts of interest between the fund and its investment adviser and other service providers. The following tables present information about the Nominees including their principal occupations and other board memberships and affiliations. The address of each Nominee is 200 Park Avenue, New York, New York 10166.

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***DSMB Class III Nominees for Director with Term Expiring in 2008***

<b><u>Name (Age), of Nominee Position with Fund (Since)</u></b>	<b><u>Principal Occupation During Past 5 Years</u></b>	<b><u>Other Board Memberships and Affiliations</u></b>
<b>DAVID W. BURKE</b> (69) <b>Class III Director of DSMB</b> (1994)	Corporate Director and Trustee	John F. Kennedy Library Foundation, <i>Director</i> U.S.S. Constitution Museum, <i>Director</i>
<b>HANS C. MAUTNER</b> (67) <b>Class III Director of DSMB</b> (1989)	President - International Division and an Advisory Director of Simon Property Group, a real estate investment company (1998-present) Director and Vice Chairman of Simon Property Group (1998-2003)	Capital and Regional PLC, a British co-investing real estate asset manager, <i>Director</i> Member of Board of Managers of: Mezzacappa Long/Short Fund LLC Mezzacappa Multi-

(1999-present)	Chairman and Chief Executive Officer of Simon Global Limited	Strategy Fund LLC Mezzacappa Multi-Strategy Plus Fund LLC
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<b>JOHN E. ZUCCOTTI</b> (67) <b>(APS Designee)</b> <b>Class III Director of DSMB</b> (1989)	Chairman of Brookfield Financial Properties, Inc.	□
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***DSM Class II □ Nominees for Director with Term Expiring in 2008***

<b><u>Name (Age) of Nominee</u></b> <b><u>Position with Fund (Since)</u></b>	<b><u>Principal Occupation</u></b> <b><u>During Past 5 Years</u></b>	<b><u>Other Board Memberships</u></b> <b><u>and Affiliations</u></b>
<b>EHUD HOUMINER</b> (64) <b>Class II Director of DSM</b> (1994)	Executive-in-Residence at the Columbia Business School, Columbia University Principal of Lear, Yavitz and Associates, a management consulting firm (1996 to 2001)	Avnet Inc., an electronics distributor, <i>Director</i> International Advisory Board of the MBA Program School of Management, Ben Gurion University, <i>Chairman</i> Explore Charter School, Brooklyn, NY, <i>Chairman</i>
<b>ROBIN A. MELVIN</b> (41) <b>(APS Designee)</b> <b>Class II Director of DSM</b> (1995)	Senior Vice President of Mentor/National Mentoring Partnership, a national non-profit organization that is leading the movement to connect America's young people with caring adult mentors	□

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Each Fund has standing audit, nominating and compensation committees, each comprised of its Directors who are not "interested persons" of the Fund, as defined in the 1940 Act. The function of the audit committee is (1) to oversee the Fund's accounting and financial reporting processes and the audits of the Fund's financial statements and (2) to assist in the Board of Directors' oversight of the integrity of the Fund's financial statements, the Fund's compliance with legal and regulatory requirements and the independent auditors' qualifications, independence and performance. The Fund's Audit Committee Charter, which describes the audit committee's purposes, duties and powers, was attached as an exhibit to last year's proxy statement dated April 15, 2004.

Each Fund's nominating committee is responsible for selecting and nominating persons as members of the Board of Directors for election or appointment by the Board and for election by stockholders. Each nominating committee member is "independent" as defined by the New York Stock Exchange. A copy of the Funds' Nominating Committee Charter and Procedures was attached as an exhibit to last year's proxy statement dated April 15, 2004

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(the "Nominating Committee Charter"). In evaluating potential nominees, including any nominees recommended by stockholders, the committee takes into consideration the factors listed in the Nominating Committee Charter, including character and integrity, business and professional experience, and whether the committee believes the person has the ability to apply sound and independent business judgment and would act in the interest of the Fund and its stockholders. The committee will consider recommendations for nominees from stockholders submitted to the Secretary of the Fund, c/o The Dreyfus Corporation Legal Department, 200 Park Avenue, 8th Floor West, New York, New York 10166, and including information regarding the recommended nominee as specified in the Nominating Committee Charter.

The function of the compensation committee is to establish the appropriate compensation for serving on the Board. Each Fund also has a standing pricing committee, comprised of any one Director. The function of the pricing committee is to assist in valuing the Fund's investments.

Each Fund's audit committee met seven times during the Fund's last fiscal year. Each Fund's nominating committee met once and each Fund's pricing and compensation committees did not meet during the Fund's last fiscal year.

Each Fund Director also serves as a director of other funds in the Dreyfus fund complex. Annual retainer fees and attendance fees are allocated on the basis of net assets, with the Chairman of the Board of each Fund, Joseph S. DiMartino, receiving an additional 25% in annual retainer and per meeting fees. The fund reimburses Directors for their expenses. Emeritus Directors, if any, are entitled to receive an annual retainer and per meeting attended fee of one-half the amount paid to them as Directors. The Funds had no Emeritus Directors as of the date of this proxy statement. The Funds do not pay any other remuneration to their officers or Directors and neither Fund has a bonus, pension, profit-sharing or retirement plan.

The aggregate amount of compensation paid to each Nominee by DSMB for its fiscal year ended November 30, 2004, and by DSM for its fiscal year ended September 30, 2004, and the aggregate amount of compensation paid to each such Nominee by all funds in the Dreyfus Family of Funds for which such Nominee was a Board member (the number of portfolios of such funds is set forth in parenthesis next to each Nominee's total compensation) for the year ended December 31, 2004, was as follows:

<b><u>Name of Nominee and Fund</u></b>	<b><u>Aggregate Compensation from each Fund*</u></b>	<b><u>Total Compensation from each Fund and Fund Complex Paid to Nominee (**)</u></b>
Ehud Houminer		\$93,000 (30)
DSMB	\$5,190	
DSM	\$7,011	
Robin A. Melvin		\$55,500 (11)
DSMB	\$5,139	
DSM	\$6,942	
David W. Burke		\$318,000 (83)
DSMB	\$5,190	
DSM	\$7,011	
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<b><u>Name of Nominee and Fund</u></b>	<b><u>Aggregate Compensation from each Fund*</u></b>	<b><u>Total Compensation from each Fund and Fund Complex Paid to Nominee (**)</u></b>
Hans C. Mautner		\$51,000 (11)

DSMB	\$5,190	
DSM	\$7,011	
John E. Zuccotti		\$55,500 (11)
DSMB	\$5,190	
DSM	\$7,011	

\* Amount does not include reimbursed expenses for attending Board meetings, which amounted to \$2,870 for DSM and \$3,127 for DSMB for all Directors as a group.

\*\* Represents the number of separate portfolios comprising the investment companies in the fund complex, including the Funds, for which the Nominee serves as a Board member.

For each Fund's most recent fiscal year, the number of Board meetings held and aggregate amount of compensation paid to each Continuing Director who is not a Nominee by each Fund and by all funds in the Dreyfus Family of Funds for which such person is a Board member are set forth on Exhibit A. Certain other information concerning each Fund's Directors and officers also is set forth on Exhibit A.

### Required Vote

The election of a Nominee for Director of each Fund requires the affirmative vote of a plurality of votes cast at the Fund's meeting for the election of Directors.

### ADDITIONAL INFORMATION

#### Selection of Independent Registered Public Accounting Firm

The 1940 Act requires that each Fund's independent registered public accounting firm (the "independent auditors" or "auditors") be selected by a majority of those Directors who are not "interested persons" (as defined in the 1940 Act) of the Fund. The audit committee has direct responsibility for the appointment, compensation, retention and oversight of the Fund's independent auditors. At a meeting held on October 25, 2004 for DSMB and July 26, 2004 for DSM, each Fund's audit committee approved and each Fund's Board, including a majority of those Directors who are not "interested persons" of the Fund, ratified the selection of Ernst & Young LLP ("E&Y") as the independent auditors for the respective Fund's fiscal year ending in 2005. E&Y, a major international accounting firm, has acted as auditors of each Fund since the Fund's organization. After reviewing the Fund's audited financial statements for the fiscal year ended September 30, 2004 for DSM, and November 30, 2004 for DSMB, each Fund's audit committee recommended to the Fund's Board that such statements be included in the Fund's annual report to stockholders. Copies of the audit committee's report for DSM and DSMB are attached as Exhibits B and C, respectively, to this proxy statement.

#### Independent Auditor Fees and Services

The following chart reflects fees to E&Y in each Fund's last two fiscal years. For Service Affiliates (i.e., Dreyfus and any entity controlling, controlled by or under common control with Dreyfus that provides ongoing services to the relevant Fund), such fees represent only those fees that required pre-approval by the audit committee. Certain of such services were not pre-approved prior to May 6, 2003, when the pre-approval requirement became applicable. On and after May 6, 2003, 100% of all services provided by E&Y were pre-approved as required. (For comparative purposes, the fees shown assume that all such services were pre-approved, including services that were not pre-approved prior to the compliance date of the pre-approval requirement.)

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	<u>DSM<sup>1</sup></u>	<u>Service Affiliates<sup>1</sup></u>	<u>DSMB<sup>2</sup></u>	<u>Service Affiliates<sup>2</sup></u>
<b>Audit Fees</b>	\$30,200/\$31,710	\$0/\$0	\$30,200/\$31,710	\$0/\$0
<b>Audited-Related Fees<sup>3</sup></b>	\$12,500/\$20,500	\$0/\$0	\$12,500/\$20,500	\$0/\$0
<b>Tax Fees<sup>4</sup></b>	\$1,371/\$2,610	\$0/\$0	\$1,704/\$2,674	\$0/\$0

<b>Aggregate Non-Audit Fees</b> <sup>5</sup>	\$0/\$0	\$243,125/\$1,009,324	\$0/\$0	\$417,712/\$832,155
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<sup>1</sup> Fiscal years ended September 30, 2003/September 30, 2004.

<sup>2</sup> Fiscal years ended November 30, 2003/November 30, 2004.

<sup>3</sup> Services to the Fund consisted of (i) agreed-upon procedures related to compliance with basic maintenance requirements for auction preferred stock; and (ii) security counts required by Rule 17f-2 under the 1940 Act.

<sup>4</sup> Services to the Fund consisted of (i) review or preparation of U.S. federal, state, local and excise tax returns; (ii) U.S. federal, state and local tax planning, advice and assistance regarding statutory, regulatory or administrative developments; and (iii) tax advice regarding tax qualification matters and/or treatment of various financial instruments held or proposed to be acquired or held.

<sup>5</sup> Rendered to the Fund and Service Affiliates.

**Audit Committee Pre-Approval Policies and Procedures.** Each Fund's audit committee has established policies and procedures (the "Policy") for pre-approval (within specified fee limits) of E&Y's engagements for non-audit services to the Fund and Service Affiliates without specific case-by-case consideration. Pre-approval considerations include whether the proposed services are compatible with maintaining E&Y's independence. Pre-approvals pursuant to the Policy are considered annually.

**Auditor Independence.** Each Fund's audit committee has considered whether the provision of non-audit services that were rendered to Service Affiliates which did not require pre-approval are compatible with maintaining E&Y's independence.

A representative of E&Y is expected to be present at the meeting, will have the opportunity to make a statement, and will be available to respond to appropriate questions.

### Service Providers

Dreyfus, located at 200 Park Avenue, New York, New York 10166, serves as each Fund's investment adviser. Mellon Bank, N.A., an affiliate of Dreyfus, located at One Mellon Bank Center, Pittsburgh, Pennsylvania 15258, acts as Custodian for the assets of each Fund. PFPC Inc., located at 4400 Computer Drive, Westboro, MA 01581, acts as DSMB's Transfer Agent, Dividend-Paying Agent and Registrar; and The Bank of New York, located at P.O. Box 11258, Church Street Station, New York, New York 10286, acts as DSM's Transfer Agent, Dividend-Paying Agent and Registrar.

### Voting Information

To vote, please complete, date and sign the enclosed proxy card for each Fund you own and mail it in the enclosed, postage-paid envelope.

Each Fund will bear its pro rata share of the cost of soliciting proxies based on the net assets of the Fund. In addition to the use of the mails, proxies may be solicited personally or by telephone, and each Fund may pay persons holding shares of the Fund in their names or those of their nominees for their expenses in sending soliciting materials to their principals. Authorizations to execute proxies may be obtained by fax, or by telephonic instructions in accordance with procedures designed to authenticate the stockholder's identity. In all cases where a telephonic proxy is solicited, the stockholder will be asked to provide his or her address and social security number (in the case of an individual) or taxpayer identification number (in the case of a non-individual) and to confirm that the stockholder has received the Fund's proxy statement and proxy card in the mail. Within 72 hours of receiving a stockholder's solicited telephonic voting instructions, a confirmation will be sent to the stockholder to ensure that the vote has been taken in accordance with the stockholder's instructions and to provide a telephone number to call immediately if the stockholder's instructions are not correctly reflected in the confirma-

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tion. Shares represented by executed and unrevoked proxies will be voted in accordance with the specifications made thereon, and if no voting instructions are given, shares will be voted FOR the Proposals.

If a proxy is properly executed and returned accompanied by instructions to withhold authority to vote, represents a broker non-vote (that is, a proxy from a broker or nominee indicating that such person has not received instructions from the beneficial owner or other person entitled to vote shares of the Fund on a particular matter with respect to which the broker or nominee does not have discretionary power) or marked with an abstention (collectively, abstentions), the Fund's shares represented thereby will be considered to be present at the meeting for purposes of determining the existence of a quorum for the transaction of business. Under Maryland law, abstentions do not constitute a vote for or against a matter and will be disregarded in determining votes cast on an issue.

#### **OTHER MATTERS**

Neither Fund's Board is aware of any other matter which may come before the meeting. However, should any such matter with respect to one or both Funds properly come before the meeting, it is the intention of the persons named in the accompanying form of proxy to vote the proxy in accordance with their judgment on such matter.

Proposals that stockholders wish to include in a Fund's proxy statement for the Fund's next Annual Meeting of Stockholders must be sent to and received by such Fund no later than January 2, 2006 at the principal executive offices of the Fund at 200 Park Avenue, New York, New York 10166, Attention: Secretary of the Fund. The date after which notice of a stockholder proposal is considered untimely, except as otherwise permitted under applicable law, is March 18, 2006.

Stockholders who wish to communicate with Directors should send communications to the attention of the Secretary of the Fund, 200 Park Avenue, New York, New York 10166, and communications will be directed to the Director or Directors indicated in the communication or, if no Director or Directors are indicated, to the Chairman of the Board of Directors.

#### **NOTICE TO BANKS, BROKER/DEALERS AND VOTING TRUSTEES AND THEIR NOMINEES**

Please advise, as appropriate, Dreyfus Strategic Municipals, Inc., in care of The Bank of New York, Proxy Department, 101 Barclay Street, New York, New York 10286, or Dreyfus Strategic Municipal Bond Fund, Inc., in care of PFPC Inc., P.O. Box 43027, Providence, RI 02940-3027, whether other persons are the beneficial owners of the shares for which proxies are being solicited, and if so, the number of copies of the proxy statement and other soliciting material you wish to receive in order to supply copies to the beneficial owners of shares.

**IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY. THEREFORE, STOCKHOLDERS WHO DO NOT EXPECT TO ATTEND THE MEETING IN PERSON ARE URGED TO COMPLETE, SIGN, DATE AND RETURN EACH ENCLOSED PROXY CARD IN THE ENCLOSED STAMPED ENVELOPE.**

Dated: April 25, 2005

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#### **EXHIBIT A**

#### **PART I**



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Part I sets forth information relevant to the Continuing Directors who are not Nominees for election at this meeting, Board and committee meetings, and share ownership. Unless otherwise indicated, the information set forth herein applies to both Funds.

***Continuing Class I Directors with Terms Expiring in 2006 for DSM and 2007 for DSMB***

The following table presents information about the Continuing Directors of the Funds, including their principal occupations and other board memberships and affiliations. In addition to the Continuing Directors listed below, Messrs. Burke, Mautner and Zuccotti are Class III Continuing Directors of DSM and Mr. Houminer and Ms. Melvin are Class II Continuing Directors of DSMB. The address of each Continuing Director is 200 Park Avenue, New York, New York 10166. Each of the Fund's Continuing Directors will continue to serve as a Director of the Funds after the meeting.

<b><u>Name (Age) of Continuing Director Position with Fund (Since)</u></b>	<b><u>Principal Occupation During Past 5 Years</u></b>	<b><u>Other Board Memberships and Affiliations</u></b>
<b>JOSEPH S. DiMARTINO</b> (61) <b>Chairman of the Board and Class I Director of DSM</b> (1989) <b>Chairman of the Board and Class I Director of DSMB</b> (1995)	Corporate Director and Trustee	The Muscular Dystrophy Association, <i>Director</i> Levcor International, Inc. an apparel fabric processor, <i>Director</i> Century Business Services, Inc., a provider of outsourcing functions for small and medium size companies, <i>Director</i> The Newark Group, a provider of a national market of paper recovery facilities, paper-board mills and paper-board converting plants, <i>Director</i> Azimuth Trust, an asset management firm, <i>Member of Board of Managers and Advisory Board</i>
<b>HODDING CARTER III</b> (69) <b>Class I Director of DSM</b> (1989) <b>Class I Director of DSMB</b> (1989)	President and Chief Executive Officer of John S. and James L. Knight Foundation (1998 - present)	Independent Sector, <i>Director</i> The Century Foundation, <i>Director</i> The Enterprise Corporation of the Delta, <i>Director</i> Foundation of the Mid-South, <i>Director</i>

**RICHARD C. LEONE** (64) President of The Century Foundation (formerly, The Twentieth Century Fund, Inc.), a tax exempt research foundation engaged in the study of economic, foreign policy and domestic issues

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The table below indicates the dollar range of each Continuing Director's and Nominee's ownership of shares of each Fund's Common Stock and shares of other funds in the Dreyfus Family of Funds for which he or she is a Board member, in each case as of December 31, 2004.

<b><u>Name of Continuing Director or Nominee</u></b>	<b><u>DSM Common Stock</u></b>	<b><u>DSMB Common Stock</u></b>	<b><u>Aggregate Holding of Funds in the Dreyfus Family of Funds for which Responsible as a Board Member</u></b>
Ehud Houminer*	None	None	Over \$100,000
Robin A. Melvin*	None	None	\$1 - \$10,000
Joseph S. DiMartino	None	\$5,000	Over \$100,000
Hodding Carter III	None	None	None
Richard C. Leone*	\$10,001 - \$50,000	\$1 - \$10,000	Over \$100,000
David W. Burke*	None	None	Over \$100,000
Hans C. Mautner*	None	None	Over \$100,000
John E. Zuccotti*	None	None	Over \$100,000

\* Nominee

As of December 31, 2004, none of the Nominees or Continuing Directors or their immediate family members owned securities of Dreyfus or any person (other than a registered investment company) directly or indirectly controlling, controlled by or under common control with Dreyfus.

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**PERTAINING TO THE BOARD OF EACH FUND**

- DSM held six Board meetings, DSMB held six Board meetings and each Fund held seven audit committee meetings during its last fiscal year.
- The Funds do not have a formal policy regarding Directors' attendance at annual meetings of stockholders. Directors did not attend last year's annual meeting.
- All Continuing Directors and Nominees attended at least 75% of all Board and committee meetings, as applicable, held in the last fiscal year.

**Compensation Table.** The aggregate amount of compensation paid to each Continuing Director by DSMB for its fiscal year ended November 30, 2004, and by DSM for its fiscal year ended September 30, 2004, and by all funds in the Dreyfus Family of Funds for which such Director was a Board member (the number of portfolios of

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such funds is set forth in parenthesis next to each Director's total compensation) for the year ended December 31, 2004, was as follows:

<b><u>Name of Continuing Director and Fund</u></b>	<b><u>Aggregate compensation from each Fund*</u></b>	<b><u>Total compensation from each Fund and fund complex paid to Continuing Director (**)</u></b>
Hodding Carter III		\$56,000 (11)
DSMB	\$5,190	
DSM	\$7,011	
Joseph S. DiMartino		\$874,125 (186)
DSMB	\$5,856	
DSM	\$8,074	
Richard C. Leone		\$52,000 (11)
DSMB	\$5,190	
DSM	\$7,011	

\* Amount does not include reimbursed expenses for attending Board meetings, which amounted to \$2,870 for DSM and \$3,127 for DSMB for all Directors as a group.

\*\* Represents the number of separate portfolios comprising the investment companies in the fund complex, including the Funds, for which the Director serves as a Board member.

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PART II

Part II sets forth information regarding the officers of each Fund.

<b><u>Name and Position with Funds (Since)</u></b>	<b><u>Age</u></b>	<b><u>Principal Occupation and Business Experience For Past Five Years</u></b>
<b>STEPHEN E. CANTER</b> President (2000)	59	Chairman of the Board, Chief Executive Officer and Chief Operating Officer of Dreyfus, and an officer of 90 investment companies (comprised of 185 portfolios) managed by Dreyfus. Mr. Canter also is a Board Member and, where applicable, Executive Committee Member of the other investment management subsidiaries of Mellon Financial Corporation, each of which is an affiliate of Dreyfus.
<b>STEPHEN R. BYERS</b> Executive Vice President (2002)	51	Chief Investment Officer, Vice Chairman and a Director of Dreyfus, and an officer of 90 investment companies (comprised of 185 portfolios) managed by Dreyfus. Mr. Byers also is an Officer, Director or an Executive Committee Member of certain other investment manage-

ment subsidiaries of Mellon Financial Corporation, each of which is an affiliate of Dreyfus. He has been an employee of Dreyfus since January 2000.

**A. PAUL DISDIER**

Executive Vice President (2000) 49 Director of Dreyfus Municipal Securities and an officer of 2 other investment companies (comprised of 2 portfolios) managed by Dreyfus.

**MARK N. JACOBS**

Vice President (2000) 59 Executive Vice President, Secretary and General Counsel of Dreyfus, and an officer of 91 investment companies (comprised of 201 portfolios) managed by Dreyfus.

**JAMES WINDELS**

Treasurer (2001) 46 Director of Mutual Fund Accounting of Dreyfus, and an officer of 91 investment companies (comprised of 201 portfolios) managed by Dreyfus.

**JOHN B. HAMMALIAN**

Secretary (2000) 41 Associate General Counsel of Dreyfus, and an officer of 36 investment companies (comprised of 45 portfolios) managed by Dreyfus.

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<b>Name and Position with Funds (Since)</b>	<b>Age</b>	<b>Principal Occupation and Business Experience For Past Five Years</b>
<b>STEVEN F. NEWMAN</b> Assistant Secretary (2000)	55	Associate General Counsel and Assistant Secretary of Dreyfus, and an officer of 91 investment companies (comprised of 201 portfolios) managed by Dreyfus.
<b>MICHAEL A. ROSENBERG</b> Assistant Secretary (2000)	45	Associate General Counsel of Dreyfus, and an officer of 88 investment companies (comprised of 194 portfolios) managed by Dreyfus.
<b>GREGORY S. GRUBER</b> Assistant Treasurer (2000)	45	Senior Accounting Manager of Municipal Bond Funds of Dreyfus, and an officer of 24 investment companies (comprised of 55 portfolios) managed by Dreyfus.
<b>KENNETH J. SANDGREN</b> Assistant Treasurer (2001)	50	Mutual Funds Tax Director of Dreyfus, and an officer of 91 investment companies (comprised of 201 portfolios) managed by Dreyfus.
<b>JOSEPH W. CONNOLLY</b>	47	Chief Compliance Officer and The Dreyfus

Chief Compliance Officer

Family of Funds (91 investment companies, comprising 201 portfolios). From November 2001 through March 2004, Mr. Connolly was first Vice-President, Mutual Fund Servicing for Mellon Global Securities Services. In that capacity, Mr. Connolly was responsible for managing Mellon's Custody, Fund Accounting and Fund Administration services to third-party mutual fund clients. Mr. Connolly has served in various capacities with Dreyfus since 1980, including manager of the firm's Fund Accounting Department from 1997 through October 2001.

The address of each officer of the Funds is 200 Park Avenue, New York, New York 10166.

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### PART III

Part III sets forth information for each Fund regarding the beneficial ownership of its shares as of April 5, 2005 by Nominees, Continuing Directors and officers of the Fund owning shares on such date and by any shareholders owning 5% or more of the Fund's outstanding shares.

As of April 5, 2005 each Fund's Directors and officers, as a group, owned less than 1% of the Fund's outstanding shares.

As of April 5, 2005, the following Directors and officers owned shares of Common Stock of the Funds as indicated below:

<b><u>Directors</u></b>	<b><u>DSM Shares of Common Stock Owned</u></b>	<b><u>DSMB Shares of Common Stock Owned</u></b>
None		
<b><u>Officers</u></b>		
Mark N. Jacobs	48,730	0
A. Paul Disdier	11,500	2,500

To each Fund's knowledge, no person owned beneficially 5% or more of the outstanding shares of Common Stock or the outstanding shares of APS of a Fund on April 5, 2005. Cede & Co. held of record approximately 90.45% and 90% of the outstanding Common Stock for DSM and DSMB, respectively, and 100% of the outstanding shares of APS of each of DSM and DSMB.

### **Section 16(a) Beneficial Ownership Reporting Compliances**

To each Fund's knowledge, all of its officers, Directors and holders of more than 10% of its Common Stock or APS complied with all filing requirements under Section 16(a) of the Securities Exchange Act of 1934, as amended, during the fiscal year ended September 30, 2004 for DSM and November 30, 2004 for DSMB. In making this disclosure, each Fund has relied solely on written representations of such persons and on copies of

reports that have been filed with the Securities and Exchange Commission.

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**EXHIBIT B**

Dreyfus Strategic Municipals, Inc.

November 22, 2004 REPORT OF THE AUDIT COMMITTEE

The audit committee oversees the Fund's financial reporting process on behalf of the board of directors. Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. In fulfilling its oversight responsibilities, the committee reviewed the audited financial statements in the Annual Report with management including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The committee reviewed with the independent registered public accounting firm (the "independent auditors" or "auditors"), who are responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of the Fund's accounting principles and such other matters as are required to be discussed with the committee under the standards of the Public Company Accounting Oversight Board (United States). In addition, the committee has discussed with the independent auditors the auditors' independence from management and the Fund including the auditor's letter and the matters in the written disclosures required by the Independence Standards Board and considered the compatibility of non-audit services with the auditors' independence.

The committee discussed with the Fund's independent auditors the overall scope and plans for the audit. The committee met with the independent auditors, with and without management present, to discuss the results of their audits, their evaluations of the Fund's internal controls, and the overall quality of the Fund's financial reporting.

In reliance on the reviews and discussions referred to above, the committee recommended to the board of directors (and the board has approved) that the audited financial statements be included in the Annual Report to Shareholders for the year ended September 30, 2004.

Richard C. Leone, Audit Committee Chair  
David W. Burke, Audit Committee Member  
Hodding Carter III, Audit Committee Member  
Joseph S. DiMartino, Audit Committee Member

Ehud Houminer, Audit Committee Member  
Hans C. Mautner, Audit Committee Member  
Robin A. Pringle, Audit Committee Member  
John E. Zuccotti, Audit Committee Member

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**EXHIBIT C**

Dreyfus Strategic Municipal Bond Fund, Inc.

January 25, 2005 REPORT OF THE AUDIT COMMITTEE

The audit committee oversees the Fund's financial reporting process on behalf of the board of directors. Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. In fulfilling its oversight responsibilities, the committee reviewed the audited financial statements in the Annual Report with management including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The committee reviewed with the independent registered public accounting firm (the "independent auditors" or "auditors"), who are responsible for expressing an opinion on the conformity of those audited financial statements

with generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of the Fund's accounting principles and such other matters as are required to be discussed with the committee under the standards of the Public Company Accounting Oversight Board (United States). In addition, the committee has discussed with the independent auditors the auditors' independence from management and the Fund including the auditor's letter and the matters in the written disclosures required by the Independence Standards Board and considered the compatibility of non-audit services with the auditors' independence.

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Joseph S. DiMartino, Audit Committee Member

Ehud Houminer, Audit Committee Member  
Hans C. Mautner, Audit Committee Member  
Robin A. Melvin, Audit Committee Member  
John E. Zuccotti, Audit Committee Member

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**DREYFUS STRATEGIC  
MUNICIPAL BOND FUND, INC.  
C/O PFPC, INC.  
P.O. BOX 8586  
EDISON, NJ 08818-8586**

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MUNICIPAL BOND FUND, INC.  
C/O PFPC, INC.  
P.O. BOX 8586  
EDISON, NJ 08818-8586**

## **IMPORTANT**

Please Act Promptly  
Sign, Date and Mail your Proxy Card(s) Today.

No matter how many shares you own, your vote is important. Voting can also help the Fund save money. To hold a meeting, a quorum must be represented. Voting today can save the Fund the expense of another solicitation for proxies required to achieve a quorum.

Please note that if you hold more than one account in the Fund, a proxy card will be sent to you for each of your accounts. You should sign and return each proxy card in order for all votes to be counted.

Thank you for your interest in the Fund.

**[3194 - DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC. common] [FILE NAME: ZDSM32.ELX] [VERSION - (1)]  
[04/13/05] [orig. 04/13/05]**

DETACH HERE IF YOU ARE RETURNING YOUR PROXY CARD BY MAIL ZDSM32

**PROXY**

**DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.**

**COMMON STOCK HOLDERS**

The undersigned stockholder of Dreyfus Strategic Municipal Bond Fund, Inc. (the "Fund") hereby appoints Robert R. Mullery and Joni L. Charatan, and each of them, the attorneys and proxies of the undersigned, with full power of substitution, to vote, as indicated herein, all of the shares of the Fund standing in the name of the undersigned at the close of business on April 5, 2005 at the Annual Meeting of Stockholders to be held at the offices of The Dreyfus Corporation, 200 Park Avenue, 7th Floor West, New York, New York, commencing at 10:00 a.m. on Thursday, May 26, 2005; and at any and all adjournments thereof, with all of the powers the undersigned would possess if then and there personally present and especially (but without limiting the general authorization and power hereby given) to vote as indicated on the proposals, as more fully described in the Proxy Statement for the meeting.

**CONTINUED AND TO BE SIGNED ON REVERSE SIDE**

**IMPORTANT**

Please Act Promptly

Sign, Date and Mail your Proxy Card(s) Today.

No matter how many shares you own, your vote is important. Voting can also help the Fund save money. To hold a meeting, a quorum must be represented. Voting today can save the Fund the expense of another solicitation for proxies required to achieve a quorum.

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Thank you for your interest in the Fund.

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DETACH HERE IF YOU ARE RETURNING YOUR PROXY CARD BY MAIL ZDSM32

**PROXY**

**DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.**

**COMMON STOCK HOLDERS**

The undersigned stockholder of Dreyfus Strategic Municipal Bond Fund, Inc. (the "Fund") hereby appoints Robert R. Mullery and Joni L. Charatan, and each of them, the attorneys and proxies of the undersigned, with full power of substitution, to vote, as indicated herein, all of the shares of the Fund standing in the name of the undersigned at the close of business on April 5, 2005 at the Annual Meeting of Stockholders to be held at the offices of The Dreyfus Corporation, 200 Park Avenue, 7th Floor West, New York, New York, commencing at 10:00 a.m. on Thursday, May 26, 2005; and at any and all adjournments thereof, with all of the powers the undersigned would possess if then and there personally present and especially (but without limiting the general authorization and power hereby given) to vote as indicated on the proposals, as more fully described in the Proxy Statement for the meeting.



**CONTINUED AND TO BE SIGNED ON REVERSE SIDE**

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**Admin: Antoinette Meek**

**Forms Coordinator-Greg Harris Ext#6282**

**DREYFUS STRATEGIC MUNICIPALS, INC.**

**COMMON STOCKHOLDERS**

The undersigned stockholder of Dreyfus Strategic Municipals, Inc. (the "Fund") hereby appoints Robert R. Mullery and Joni L. Charatan, and each of them, the attorneys and proxies of the undersigned, with full power of substitution, to vote, as indicated herein, all of the shares of the Fund standing in the name of the undersigned at the close of business on April 5, 2005 at the Annual Meeting of Stockholders to be held at the offices of The Dreyfus Corporation, 200 Park Avenue, 7<sup>th</sup> Floor, New York, New York, commencing at 10:00 a.m. on Thursday, May 26, 2005; and at any and all adjournments thereof, with all of the powers the undersigned would possess if then and there personally present and especially (but without limiting the general authorization and power hereby given) to vote as indicated on the proposals, as more fully described in the Proxy Statement for the meeting.

DREYFUS STRATEGIC MUNICIPALS, INC.

P.O. BOX 11229

NEW YORK, N.Y. 10203-0229

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