

DREYFUS STRATEGIC MUNICIPAL BOND FUND INC  
Form 40-17F2  
June 06, 2001

Independent Accountant's Report

To the Board of Directors  
Dreyfus Strategic Municipal Bond Fund, Inc.

We have examined management's assertion about  
Dreyfus Strategic Municipal Bond Fund, Inc.'s

(the "Company") compliance with the requirements of  
subsections (b) and (c) of Rule 17f-2 of the Investment  
Company Act of 1940 ("the Act") as of  
August 31, 2000, with respect to securities and  
similar investments reflected in the investment account  
of the Company, included in the accompanying Management  
Statement Regarding Compliance with Certain Provisions of  
the Investment Company Act of 1940. Management is  
responsible for the Company's compliance with those  
requirements. Our responsibility is to express an opinion on  
management's assertion about the Company's compliance  
based on our examination.

Our examination was made in accordance with standards  
established by the American Institute of Certified Public  
Accountants and accordingly, included examining, on a  
test basis, evidence about the Company's compliance with  
those requirements and performing such other procedures  
as we considered necessary in the circumstances. Included  
among our procedures were the following tests performed  
as of August 31, 2000, and with respect to  
agreement of security and similar investments purchases  
and sales, for the period from March 31, 2000  
(the date of last examination) through August 31, 2000;

Count and inspection of all securities and similar investments  
located in the vault of Mellon Bank in New York, without  
prior notice to management;

Confirmation of all securities and similar investments held by  
institutions in book entry form (i.e., the Federal Reserve Bank  
of Boston, the Depository Trust Company and the Participant  
Trust Company);

Reconciliation of confirmation results as to all such securities  
and investments to the books and records of the Company and  
Mellon Bank;

Confirmation of all repurchase agreements, if any, with  
brokers/banks and agreement of underlying collateral with  
Mellon Bank's records;

Agreement of investment purchases and sales or maturities  
since our last examination from the books and records of the  
Company to broker confirmations.

We believe that our examination provides a reasonable basis  
for our opinion. Our examination does not provide a legal  
determination on the Company's compliance with specified  
requirements.

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In our opinion, management's assertion that Dreyfus Strategic Municipal Bond Fund, Inc. was in compliance with the requirements of subsections (b) and (c) of Rule 17f-2 of the Investment Company Act of 1940 as of August 31, 2000 with respect to securities and similar investments reflected in the investment account of the Company is fairly stated, in all material respects.

This report is intended solely for the information and use of management of Dreyfus Strategic Municipal Bond Fund, Inc. and the Securities and Exchange Commission and should not be used for any other purpose.

ERNST & YOUNG LLP

New York, New York  
October 31, 2000

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM N-17f-2

Certificate of Accounting or Securities and Similar  
Investments in the Custody of  
Management Investment Companies

Pursuant to Rule 17f-2 [17 CFR 270.17f-2]

1. Investment Company Act File      Date examination  
Number:                              completed:  
811- 5877                              October 31, 2000

2. State Identification Number:

AL	AK	AZ	AR	CA	CO
CT	DE	DC	FL	GA	HI
ID	IL	IN	IA	KS	KY
LA	ME	MD	MA	MI	MN
MS	MO	MI	NE	NV	NH
NJ	NM	NY	NC	ND	OH
OK	OR	PA	RI	SC	SD
TN	TX	UT	VT	VA	WA
WV	WI	WY	PUERTO		
			RICO		

Other  
Specify:

3. Exact name of investment company as specified  
in registration statement:

4. Address of principal executive office: (number,  
street, city, state, zip code) 200 Park Avenue,

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55th Floor , New York, NY 10166

## INSTRUCTIONS

The Form must be completed by investment companies that have custody of securities or similar investments

### Investment Company

1. All items must be completed by the investment company.
2. Give this Form to the independent public accountant who, in compliance with Rule 17f-2 under the Act and applicable state law, examine securities and similar investments in the custody of the investment company.

### Accountant

3. Submit this Form to the Securities and Exchange Commission and appropriate state securities administrators when filing the certificate of accounting required by Rule 17f-2 under the Act and applicable state law. File the original and one copy with the Securities and Exchange Commissions's principal office in Washington D.C., one copy with the regional office for the region in which the investment company's principal business operations are conducted, and one copy with the appropriate state administrator(s), if applicable.

THIS FORM MUST BE GIVEN TO YOUR  
INDEPENDENT PUBLIC ACCOUNTANT

### Management Statement Regarding Compliance with Certain Provisions of the Investment Company Act of 1940

We, as members of management of Dreyfus Strategic Municipal Bond Fund, Inc. (the "Company"), are responsible for complying with the requirements of subsections (b) and (c) of Rule 17f-2, "Custody of Investments by Registered Management Investment Companies," of the Investment Company

Act of 1940. We are also responsible for establishing and maintaining effective controls over compliance with those requirements. We have performed an evaluation of the Company's compliance with the requirements of subsections (b) and (c) of Rule 17f-2 as of August 31, 2000.

Based on this evaluation, we assert that the Company was in compliance with the requirements of subsections (b) and (c) of Rule 17f-2 of the Investment Company Act of 1940 as of August 31, 2000 with respect to securities and similar investments reflected in the investment account of the Company.

Dreyfus Strategic Municipal Bond Fund, Inc.

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By:

/s/Joseph W. Connolly  
Joseph W. Connolly,  
Vice President & Treasurer  
The Dreyfus Corporation

/s/Greg Gruber  
Greg Gruber  
Assistant Treasurer  
Dreyfus Strategic Municipal Bond Fund, Inc.