

DREYFUS MUNICIPAL INCOME INC  
Form N-Q  
August 24, 2015

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT  
INVESTMENT COMPANY

Investment Company Act file number      811-5652

Dreyfus Municipal Income, Inc.  
(Exact name of Registrant as specified in charter)

c/o The Dreyfus Corporation

200 Park Avenue

New York, New York 10166  
(Address of principal executive offices) (Zip code)

John Pak, Esq.

200 Park Avenue

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

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

Date of fiscal year end:      09/30

Date of reporting period:      6/30/2015

**FORM N-Q**

**Item 1. Schedule of Investments.**

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**STATEMENT OF INVESTMENTS****Dreyfus Municipal Income, Inc.****June 30, 2015 (Unaudited)**

| <b>Long-Term Municipal<br/>Investments--150.3%</b>  | <b>Coupon<br/>Rate (%)</b> | <b>Maturity<br/>Date</b> | <b>Principal<br/>Amount (\$)</b> | <b>Value (\$)</b> |
|---|----------------------------|--------------------------|----------------------------------|-------------------|
| <b>Alabama--2.0%</b>  |                            |                          |                                  |                   |
| Alabama Public School and College<br>Authority, Capital Improvement<br>Revenue  |                            |                          |                                  |                   |
|   | 5.00                       | 1/1/26                   | 1,000,000                        | 1,188,890         |
| Jefferson County,<br>Sewer Revenue Warrants   |                            |                          |                                  |                   |
|   | 0/7.75                     | 10/1/46                  | 4,000,000 a                      | 2,641,440         |
| <b>Arizona--8.5%</b>  |                            |                          |                                  |                   |
| Barclays Capital Municipal Trust<br>Receipts (Series 21 W)<br>Recourse (Salt River Project<br>Agricultural Improvement and<br>Power District, Salt River<br>Project Electric System<br>Revenue) |                            |                          |                                  |                   |
|   | 5.00                       | 1/1/38                   | 9,998,763 b,c                    | 10,796,263        |
| Pima County Industrial Development<br>Authority, Education Revenue<br>(American Charter Schools<br>Foundation Project)  |                            |                          |                                  |                   |
|   | 5.63                       | 7/1/38                   | 1,000,000 d                      | 934,660           |
| Pinal County Electrical District<br>Number 4, Electric System<br>Revenue (Prerefunded)  |                            |                          |                                  |                   |
|   | 6.00                       | 12/1/18                  | 2,300,000                        | 2,669,978         |
| Salt Verde Financial Corporation,<br>Senior Gas Revenue   |                            |                          |                                  |                   |
|   | 5.00                       | 12/1/37                  | 2,190,000                        | 2,372,734         |
| <b>California--23.4%</b>  |                            |                          |                                  |                   |
| California,<br>GO (Various Purpose)   |                            |                          |                                  |                   |
|   | 5.75                       | 4/1/31                   | 3,950,000                        | 4,530,650         |
| California,<br>GO (Various Purpose)   |                            |                          |                                  |                   |
|   | 6.00                       | 3/1/33                   | 1,250,000                        | 1,506,487         |
| California,<br>GO (Various Purpose)   |                            |                          |                                  |                   |
|   | 6.50                       | 4/1/33                   | 3,000,000                        | 3,570,720         |
| California,<br>GO (Various Purpose)   |                            |                          |                                  |                   |
|   | 6.00                       | 11/1/35                  | 2,500,000                        | 2,983,300         |

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|   |      |         |                |            |
|---|------|---------|----------------|------------|
| Chula Vista,<br>IDR (San Diego Gas and<br>Electric Company)   | 5.88 | 2/15/34 | 2,000,000      | 2,329,420  |
| JPMorgan Chase Putters/Drivers<br>Trust (Series 3869)<br>Non-recourse (Los Angeles<br>Department of Airports, Senior<br>Revenue (Los Angeles<br>International Airport)) | 5.25 | 5/15/18 | 10,000,000 b,c | 11,523,300 |
| JPMorgan Chase Putters/Drivers<br>Trust (Series 4414)<br>Non-recourse (Los Angeles<br>Department of Airports, Senior<br>Revenue (Los Angeles<br>International Airport)) | 5.00 | 5/15/21 | 4,000,000 b,c  | 4,386,640  |
| JPMorgan Chase Putters/Drivers<br>Trust (Series 4421)<br>Non-recourse (The Regents of<br>the University of California,  |      |         |                |            |

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|   |      |          |                 |           |
|---|------|----------|-----------------|-----------|
| General Revenue)<br>Sacramento County,<br>Airport System Subordinate and<br>Passenger Facility Charges  | 5.00 | 5/15/21  | 3,750,000 b,c,d | 4,227,600 |
| Grant Revenue<br>Santa Ana Community Redevelopment<br>Agency, Tax Allocation Revenue<br>(Merged Project Area)   | 6.00 | 7/1/35   | 2,250,000       | 2,533,140 |
| Tobacco Securitization Authority<br>of Southern California,<br>Tobacco Settlement<br>Asset-Backed Bonds (San Diego<br>County Tobacco Asset<br>Securitization Corporation) | 6.75 | 9/1/28   | 3,000,000       | 3,625,590 |
| Tuolumne Wind Project Authority,<br>Revenue (Tuolumne Company<br>Project)   | 5.00 | 6/1/37   | 3,500,000       | 2,910,110 |
| <b>Colorado--6.6%</b><br>Colorado Educational and Cultural<br>Facilities Authority, Charter<br>School Revenue (American<br>Academy Project)                               | 5.88 | 1/1/29   | 1,500,000       | 1,733,130 |
| E-470 Public Highway Authority,<br>Senior Revenue   | 8.00 | 12/1/40  | 1,500,000 d     | 1,722,885 |
| E-470 Public Highway Authority,<br>Senior Revenue   | 5.25 | 9/1/25   | 1,000,000       | 1,113,200 |
| JPMorgan Chase Putters/Drivers<br>Trust (Series 4386)<br>Non-recourse (Board of<br>Governors of the Colorado<br>State University, System<br>Enterprise Revenue)           | 5.38 | 9/1/26   | 1,000,000       | 1,112,640 |
| RIB Floater Trust (Barclays Bank<br>PLC) (Series 25 U-1) Recourse<br>(Colorado Springs, Utilities<br>System Improvement Revenue)  | 5.00 | 3/1/20   | 2,550,000 b,c,d | 2,810,712 |
| University of Colorado Regents,<br>University Enterprise Revenue<br>(Prerefunded)   | 5.00 | 11/15/43 | 4,000,000 b,c   | 4,429,080 |
|   | 5.38 | 6/1/19   | 1,500,000 e     | 1,731,255 |

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**District of Columbia--4.0%**

RIB Floater Trust (Barclays Bank

PLC) (Series 15 U) Recourse

(District of Columbia, Income

Tax Secured Revenue)

5.00

12/1/35

6,999,163 b,c

7,895,093

**Florida--9.1%**

Citizens Property Insurance

Corporation, Coastal Account

Senior Secured Revenue

5.00

6/1/25

2,000,000

2,321,940

Davie,

Educational Facilities Revenue

(Nova Southeastern University

Project)

5.63

4/1/43

1,000,000 d

1,105,930

Greater Orlando Aviation

Authority, Airport Facilities

Revenue

6.25

10/1/20

3,980,000

4,689,753

Halifax Hospital Medical Center,

HR

4.00

6/1/41

1,000,000

949,610

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|  |      |          |             |           |
|--|------|----------|-------------|-----------|
| Mid-Bay Bridge Authority,<br>Springing Lien Revenue<br>(Prerefunded)   | 7.25 | 10/1/21  | 2,500,000 e | 3,280,625 |
| Palm Beach County Health<br>Facilities Authority, Revenue<br>(The Waterford Project)<br>(Prerefunded)                                  | 5.88 | 11/15/17 | 1,400,000 e | 1,563,996 |
| Saint Johns County Industrial<br>Development Authority, Revenue<br>(Presbyterian Retirement<br>Communities Project)                    | 5.88 | 8/1/40   | 2,500,000   | 2,749,300 |
| South Lake County Hospital<br>District, Revenue (South Lake<br>Hospital, Inc.)   | 6.25 | 4/1/39   | 1,000,000   | 1,136,180 |
| <b>Georgia--2.7%</b>   |      |          |             |           |
| Atlanta,<br>Water and Wastewater Revenue<br>(Prerefunded)  | 6.00 | 11/1/19  | 3,000,000 e | 3,583,830 |
| Atlanta Development Authority,<br>Senior Lien Revenue (New<br>Downtown Atlanta Stadium<br>Project)                                     | 5.25 | 7/1/40   | 1,500,000   | 1,698,270 |
| <b>Hawaii--1.4%</b>  |      |          |             |           |
| Hawaii Department of Budget and<br>Finance, Special Purpose<br>Revenue (Hawaiian Electric<br>Company, Inc. and Subsidiary<br>Projects) | 6.50 | 7/1/39   | 2,400,000   | 2,742,360 |
| <b>Illinois--5.5%</b>  |      |          |             |           |
| Chicago,<br>General Airport Third Lien<br>Revenue (Chicago O'Hare<br>International Airport)  | 5.63 | 1/1/35   | 1,000,000   | 1,125,220 |
| Chicago,<br>GO   | 5.00 | 1/1/24   | 1,000,000   | 997,260   |
| Chicago,<br>GO (Project and Refunding<br>Series)   | 5.00 | 1/1/36   | 1,500,000   | 1,404,960 |
| Illinois,  |      |          |             |           |

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|--|------|---------|---------------|-----------|
| GO   | 5.00 | 8/1/24  | 1,000,000     | 1,064,150 |
| JPMorgan Chase Putters/Drivers<br>Trust (Series 4360)<br>Non-recourse (Greater Chicago<br>Metropolitan Water Reclamation<br>District, GO Capital<br>Improvement Bonds) | 5.00 | 12/1/19 | 2,500,000 b,c | 2,741,725 |
| Railsplitter Tobacco Settlement<br>Authority, Tobacco Settlement<br>Revenue  | 6.00 | 6/1/28  | 2,000,000     | 2,350,300 |
| University of Illinois Board of<br>Trustees, Auxiliary Facilities<br>System Revenue  | 5.13 | 4/1/36  | 1,000,000 d   | 1,080,170 |
| <b>Indiana--.5%</b><br>Richmond Hospital Authority,<br>Revenue (Reid Hospital Project)   | 5.00 | 1/1/39  | 1,000,000     | 1,073,090 |
| <b>Iowa--1.1%</b><br>Iowa Student Loan Liquidity   |      |         |               |           |

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|                                  |      |         |                  |            |
|----------------------------------|------|---------|------------------|------------|
| Corporation, Student Loan        |      |         |                  |            |
| Revenue                          | 5.75 | 12/1/28 | 2,110,000 d      | 2,265,064  |
| <b>Louisiana--.6%</b>            |      |         |                  |            |
| Louisiana Public Facilities      |      |         |                  |            |
| Authority, Revenue (CHRISTUS     |      |         |                  |            |
| Health Obligated Group)          | 6.13 | 7/1/29  | 1,000,000        | 1,145,470  |
| <b>Maine--.8%</b>                |      |         |                  |            |
| Maine Health and Higher          |      |         |                  |            |
| Educational Facilities           |      |         |                  |            |
| Authority, Revenue               |      |         |                  |            |
| (MaineGeneral Medical Center     |      |         |                  |            |
| Issue)                           | 7.50 | 7/1/32  | 1,250,000        | 1,502,850  |
| <b>Maryland--3.2%</b>            |      |         |                  |            |
| JPMorgan Chase Putters/Drivers   |      |         |                  |            |
| Trust (Series 4422)              |      |         |                  |            |
| Non-recourse (Mayor and City     |      |         |                  |            |
| Council of Baltimore, Project    |      |         |                  |            |
| Revenue (Water Projects))        | 5.00 | 7/1/21  | 2,000,000 b,c    | 2,210,470  |
| Maryland Economic Development    |      |         |                  |            |
| Corporation, EDR                 |      |         |                  |            |
| (Transportation Facilities       |      |         |                  |            |
| Project)                         | 5.75 | 6/1/35  | 1,000,000        | 1,090,460  |
| Maryland Economic Development    |      |         |                  |            |
| Corporation, PCR (Potomac        |      |         |                  |            |
| Electric Project)                | 6.20 | 9/1/22  | 2,500,000        | 2,905,950  |
| <b>Massachusetts--11.0%</b>      |      |         |                  |            |
| Barclays Capital Municipal Trust |      |         |                  |            |
| Receipts (Series 15 W)           |      |         |                  |            |
| Recourse (Massachusetts Health   |      |         |                  |            |
| and Educational Facilities       |      |         |                  |            |
| Authority, Revenue               |      |         |                  |            |
| (Massachusetts Institute of      |      |         |                  |            |
| Technology Issue))               | 5.00 | 7/1/38  | 10,000,000 b,c,d | 10,848,500 |
| JPMorgan Chase Putters/Drivers   |      |         |                  |            |
| Trust (Series 4395)              |      |         |                  |            |
| Non-recourse (University of      |      |         |                  |            |
| Massachusetts Building           |      |         |                  |            |
| Authority, Project and           |      |         |                  |            |
| Refunding Revenue)               | 5.00 | 5/1/21  | 3,698,335 b,c,d  | 4,059,548  |

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|--|------|--------|-------------|-----------|
| Massachusetts Development Finance<br>Agency, Revenue (Tufts Medical<br>Center Issue)                   | 7.25 | 1/1/32 | 1,500,000   | 1,782,225 |
| Massachusetts Educational<br>Financing Authority, Education<br>Loan Revenue (Issue K)                  | 5.25 | 7/1/29 | 2,360,000 d | 2,576,695 |
| Massachusetts Health and<br>Educational Facilities<br>Authority, Revenue (Suffolk<br>University Issue) | 6.25 | 7/1/30 | 2,000,000 d | 2,315,420 |
| <b>Michigan--5.8%</b><br>Detroit,<br>Water Supply System Senior<br>Lien Revenue                        | 5.00 | 7/1/31 | 1,500,000   | 1,580,160 |
| Detroit,<br>Water Supply System Senior<br>Lien Revenue   | 5.00 | 7/1/36 | 3,000,000   | 3,124,560 |
| Michigan Finance Authority,  |      |        |             |           |

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|---|------|----------|-------------|-----------|
| Local Government Loan Program<br>Revenue (Detroit Water and<br>Sewerage Department, Water<br>Supply System Revenue Senior<br>Lien Local Project Bonds)<br>(Insured; National Public<br>Finance Guarantee Corp.) | 5.00 | 7/1/36   | 500,000     | 539,450   |
| Michigan Strategic Fund,<br>SWDR (Genesee Power Station<br>Project)   | 7.50 | 1/1/21   | 2,200,000   | 2,180,354 |
| Royal Oak Hospital Finance<br>Authority, HR (William<br>Beaumont Hospital Obligated<br>Group) (Prerefunded)   | 8.00 | 9/1/18   | 2,500,000 e | 3,037,925 |
| Wayne County Airport Authority,<br>Airport Revenue (Detroit<br>Metropolitan Wayne County<br>Airport) (Insured; National<br>Public Finance Guarantee Corp.)  | 5.00 | 12/1/34  | 1,000,000   | 1,014,910 |
| <b>Minnesota--2.5%</b><br>Minneapolis,<br>Health Care System Revenue<br>(Fairview Health Services)  | 6.75 | 11/15/32 | 3,000,000   | 3,486,900 |
| Minnesota Agricultural and<br>Economic Development Board,<br>Health Care System Revenue<br>(Fairview Health Care Systems)   | 6.38 | 11/15/29 | 80,000      | 80,354    |
| Saint Paul Housing and<br>Redevelopment Authority,<br>Hospital Facility Revenue<br>(HealthEast Care System<br>Project)  | 5.00 | 11/15/44 | 1,200,000   | 1,245,708 |
| <b>Mississippi--2.6%</b><br>Mississippi Business Finance<br>Corporation, PCR (System<br>Energy Resources, Inc. Project)   | 5.88 | 4/1/22   | 2,935,000   | 2,951,994 |
| Warren County,<br>Gulf Opportunity Zone Revenue<br>(International Paper Company   |      |          |             |           |

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|---|------|---------|-------------|-----------|
| Project)  | 5.38 | 12/1/35 | 2,000,000   | 2,235,800 |
| <b>New Jersey--4.3%</b>   |      |         |             |           |
| New Jersey Economic Development Authority, Water Facilities Revenue (New Jersey - American Water Company, Inc. Project) | 5.70 | 10/1/39 | 2,000,000   | 2,276,780 |
| New Jersey Higher Education Student Assistance Authority, Senior Student Loan Revenue                                   | 5.00 | 12/1/18 | 1,500,000 d | 1,651,635 |
| New Jersey Higher Education Student Assistance Authority, Student Loan Revenue (Insured; Assured Guaranty Corp.)        | 6.13 | 6/1/30  | 2,140,000 d | 2,321,793 |
| Tobacco Settlement Financing Corporation of New Jersey, Tobacco Settlement Asset-Backed Bonds                           | 5.00 | 6/1/29  | 2,500,000   | 2,117,200 |
| <b>New Mexico--1.7%</b>   |      |         |             |           |

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|---|------|---------|---------------|-----------|
| Farmington,<br>PCR (Public Service Company of<br>New Mexico San Juan Project)   | 5.90 | 6/1/40  | 3,000,000     | 3,312,720 |
| <b>New York--12.9%</b>  |      |         |               |           |
| Barclays Capital Municipal Trust<br>Receipts (Series 11 B)<br>Recourse (New York City<br>Transitional Finance<br>Authority, Future Tax Secured<br>Revenue)                                  | 5.00 | 5/1/30  | 7,996,797 b,c | 8,984,397 |
| New York City Educational<br>Construction Fund, Revenue   | 6.50 | 4/1/28  | 1,500,000 d   | 1,838,745 |
| New York City Industrial<br>Development Agency, PILOT<br>Revenue (Yankee Stadium<br>Project) (Insured; Assured<br>Guaranty Corp.)   | 7.00 | 3/1/49  | 1,435,000     | 1,698,136 |
| New York State Dormitory<br>Authority, State Personal<br>Income Tax Revenue (General<br>Purpose)  | 5.00 | 3/15/32 | 2,500,000     | 2,842,600 |
| Port Authority of New York and New<br>Jersey, Special Project Bonds<br>(JFK International Air<br>Terminal LLC Project)  | 6.00 | 12/1/36 | 1,500,000     | 1,749,615 |
| RIB Floater Trust (Barclays Bank<br>PLC) (Series 16 U) Recourse<br>(New York City Municipal Water<br>Finance Authority, Water and<br>Sewer System Second General<br>Resolution Revenue)     | 5.00 | 6/15/44 | 7,400,000 b,c | 8,155,614 |
| <b>North Carolina--2.8%</b>   |      |         |               |           |
| Barclays Capital Municipal Trust<br>Receipts (Series 31 W)<br>Recourse (North Carolina<br>Medical Care Commission,<br>Health Care Facilities Revenue<br>(Duke University Health<br>System)) | 5.00 | 6/1/42  | 5,000,000 b,c | 5,463,650 |

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**Ohio--1.2%**

Butler County,

Hospital Facilities Revenue

|             |      |         |           |           |
|-------------|------|---------|-----------|-----------|
| (UC Health) | 5.50 | 11/1/40 | 1,500,000 | 1,680,435 |
|-------------|------|---------|-----------|-----------|

Ohio Air Quality Development

Authority, Air Quality Revenue

(Ohio Valley Electric

|                      |      |         |         |         |
|----------------------|------|---------|---------|---------|
| Corporation Project) | 5.63 | 10/1/19 | 600,000 | 666,336 |
|----------------------|------|---------|---------|---------|

**Pennsylvania--2.7%**

Clairton Municipal Authority,

|               |      |         |           |           |
|---------------|------|---------|-----------|-----------|
| Sewer Revenue | 5.00 | 12/1/42 | 1,000,000 | 1,051,160 |
|---------------|------|---------|-----------|-----------|

JPMorgan Chase Putters/Drivers

Trust (Series 3916)

Non-recourse (Geisinger

Authority, Health System

Revenue (Geisinger Health

|          |      |        |               |           |
|----------|------|--------|---------------|-----------|
| System)) | 5.13 | 6/1/35 | 2,000,000 b,c | 2,185,760 |
|----------|------|--------|---------------|-----------|

Philadelphia,

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|   |      |          |                 |           |
|---|------|----------|-----------------|-----------|
| GO  | 6.50 | 8/1/41   | 1,750,000       | 2,085,090 |
| <b>South Carolina--6.9%</b>   |      |          |                 |           |
| JPMorgan Chase Putters/Drivers Trust (Series 4379)  |      |          |                 |           |
| Non-recourse (South Carolina Public Service Authority, Revenue Obligations (Santee Cooper))                                     | 5.13 | 6/1/37   | 4,800,000 b,c   | 5,259,216 |
| South Carolina Public Service Authority, Revenue Obligations (Santee Cooper)  | 5.50 | 1/1/38   | 2,760,000       | 3,094,181 |
| South Carolina Public Service Authority, Revenue Obligations (Santee Cooper) (Prerefunded)                                      | 5.50 | 1/1/19   | 240,000 e       | 274,985   |
| Tobacco Settlement Revenue Management Authority of South Carolina, Tobacco Settlement Asset-Backed Bonds (Escrowed to Maturity) | 6.38 | 5/15/30  | 3,750,000       | 5,006,250 |
| <b>Tennessee--1.1%</b>  |      |          |                 |           |
| JPMorgan Chase Putters/Drivers Trust (Series 4416)  |      |          |                 |           |
| Non-recourse (Metropolitan Government of Nashville and Davidson County, Water and Sewer Revenue)                                | 5.00 | 7/1/21   | 2,000,000 b,c   | 2,231,460 |
| <b>Texas--17.4%</b>   |      |          |                 |           |
| Barclays Capital Municipal Trust Receipts (Series 39 W)   |      |          |                 |           |
| Recourse (Texas A&M University System Board of Regents, Financing System Revenue)   | 5.00 | 5/15/39  | 5,000,000 b,c,d | 5,659,900 |
| Clifton Higher Education Finance Corporation, Revenue (Uplift Education)  | 4.25 | 12/1/34  | 1,000,000 d     | 960,310   |
| Harris County-Houston Sports Authority, Senior Lien Revenue (Insured; Assured Guaranty Municipal Corp.)                         | 0.00 | 11/15/52 | 4,000,000 f     | 644,000   |

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|--|------|---------|---------------|-----------|
| Houston,<br>Airport System Subordinate<br>Lien Revenue   | 5.00 | 7/1/25  | 1,300,000     | 1,458,184 |
| JPMorgan Chase Putters/Drivers<br>Trust (Series 4356)<br>Non-recourse (San Antonio,<br>Electric and Gas Systems<br>Junior Lien Revenue)              | 5.00 | 2/1/21  | 6,300,000 b,c | 6,898,311 |
| La Vernia Higher Education Finance<br>Corporation, Education Revenue<br>(Knowledge is Power Program,<br>Inc.) (Prerefunded)                          | 6.25 | 8/15/19 | 2,250,000 e   | 2,679,930 |
| Lower Colorado River Authority,<br>Transmission Contract Revenue<br>(Lower Colorado River<br>Authority Transmission<br>Services Corporation Project) | 5.00 | 5/15/45 | 1,500,000     | 1,634,100 |
| Lubbock Educational Facilities   |      |         |               |           |

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|   |      |          |               |           |
|---|------|----------|---------------|-----------|
| Authority, Improvement Revenue<br>(Lubbock Christian University)  | 5.25 | 11/1/37  | 1,500,000 d   | 1,545,555 |
| North Texas Education Finance<br>Corporation, Education Revenue<br>(Uplift Education)   | 5.13 | 12/1/42  | 2,000,000 d   | 2,121,020 |
| North Texas Tollway Authority,<br>First Tier System Revenue<br>(Insured; Assured Guaranty<br>Corp.)                                     | 5.75 | 1/1/40   | 1,685,000     | 1,860,257 |
| North Texas Tollway Authority,<br>Second Tier System Revenue<br>(Prerefunded)   | 5.75 | 1/1/18   | 4,000,000 e   | 4,469,000 |
| San Antonio,<br>General Improvement GO  | 5.00 | 2/1/21   | 1,325,000     | 1,555,868 |
| Texas Transportation Commission,<br>Central Texas Turnpike System<br>Second Tier Revenue  | 5.00 | 8/15/42  | 2,500,000     | 2,652,125 |
| <b>Virginia--.6%</b>  |      |          |               |           |
| Winchester Economic Development<br>Authority, HR (Valley Health<br>System Obligated Group)  | 5.00 | 1/1/44   | 1,000,000     | 1,093,600 |
| <b>Washington--4.4%</b>   |      |          |               |           |
| Barclays Capital Municipal Trust<br>Receipts (Series 27 B)<br>Recourse (King County, Sewer<br>Revenue)                                  | 5.00 | 1/1/29   | 2,999,037 b,c | 3,400,062 |
| Washington Health Care Facilities<br>Authority, Mortgage Revenue<br>(Highline Medical Center)<br>(Collateralized; FHA)<br>(Prerefunded) | 6.25 | 8/1/18   | 2,990,000 e   | 3,459,370 |
| Washington Health Care Facilities<br>Authority, Revenue (Catholic<br>Health Initiatives)  | 6.38 | 10/1/36  | 1,500,000     | 1,703,070 |
| <b>West Virginia--.5%</b>   |      |          |               |           |
| The County Commission of Harrison<br>County, SWDR (Allegheny Energy<br>Supply Company, LLC Harrison<br>Station Project)                 | 5.50 | 10/15/37 | 1,000,000     | 1,048,350 |

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**Wyoming--1.1%**

Wyoming Municipal Power Agency,

|                             |      |        |           |           |
|-----------------------------|------|--------|-----------|-----------|
| Power Supply System Revenue | 5.50 | 1/1/38 | 2,000,000 | 2,179,780 |
|-----------------------------|------|--------|-----------|-----------|

**U.S. Related--1.4%**

Guam,

|                  |      |         |           |           |
|------------------|------|---------|-----------|-----------|
| LOR (Section 30) | 5.75 | 12/1/34 | 1,500,000 | 1,661,640 |
|------------------|------|---------|-----------|-----------|

Puerto Rico Commonwealth,

Public Improvement GO

(Insured; Assured Guaranty

|                  |      |        |           |           |
|------------------|------|--------|-----------|-----------|
| Municipal Corp.) | 5.00 | 7/1/35 | 1,250,000 | 1,185,050 |
|------------------|------|--------|-----------|-----------|

|   |  |  |                |                    |
|---|--|--|----------------|--------------------|
| <b>Total Investments</b> (cost \$267,338,703) |  |  | <b>150.3 %</b> | <b>294,935,593</b> |
|---|--|--|----------------|--------------------|

|   |  |  |                 |                      |
|---|--|--|-----------------|----------------------|
| <b>Liabilities, Less Cash and Receivables</b> |  |  | <b>(24.8 %)</b> | <b>(48,650,888 )</b> |
|---|--|--|-----------------|----------------------|

|   |  |  |                 |                      |
|---|--|--|-----------------|----------------------|
| <b>Preferred Stock, at redemption value</b> |  |  | <b>(25.5 %)</b> | <b>(50,000,000 )</b> |
|---|--|--|-----------------|----------------------|

|   |  |  |                |                    |
|---|--|--|----------------|--------------------|
| <b>Net Assets Applicable to Common Shareholders</b> |  |  | <b>100.0 %</b> | <b>196,284,705</b> |
|---|--|--|----------------|--------------------|

- a Zero coupon until a specified date at which time the stated coupon rate becomes effective until maturity.
- b Collateral for floating rate borrowings.
- c Securities exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be

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resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2015, these securities were valued at \$114,167,301 or 58.2% of net assets applicable to Common Shareholders.

- d At June 30, 2015, the fund had \$50,046,142 or 25.5% of net assets applicable to Common Shareholders invested in securities whose payment of principal and interest is dependent upon revenues generated from education.
- e 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.
- f Security issued with a zero coupon. Income is recognized through the accretion of discount.

At June 30, 2015, net unrealized appreciation on investments was \$27,596,890 of which \$28,061,634 related to appreciated investment securities and \$464,744 related to depreciated investment securities. At June 30, 2015, the cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes.

### Summary of Abbreviations

|               |   |                 |   |
|---------------|---|-----------------|---|
| <b>ABAG</b>   | Association of Bay Area Governments           | <b>ACA</b>      | American Capital Access                           |
| <b>AGC</b>    | ACE Guaranty Corporation                      | <b>AGIC</b>     | Asset Guaranty Insurance Company                  |
| <b>AMBAC</b>  | American Municipal Bond Assurance Corporation | <b>ARRN</b>     | Adjustable Rate Receipt Notes                     |
| <b>BAN</b>    | Bond Anticipation Notes                       | <b>BPA</b>      | Bond Purchase Agreement                           |
| <b>CIFG</b>   | CDC Ixis Financial Guaranty                   | <b>COP</b>      | Certificate of Participation                      |
| <b>CP</b>     | Commercial Paper                              | <b>DRIVERS</b>  | Derivative Inverse Tax-Exempt Receipts            |
| <b>EDR</b>    | Economic Development Revenue                  | <b>EIR</b>      | Environmental Improvement Revenue                 |
| <b>FGIC</b>   | Financial Guaranty Insurance Company          | <b>FHA</b>      | Federal Housing Administration                    |
| <b>FHLB</b>   | Federal Home Loan Bank                        | <b>FHLMC</b>    | Federal Home Loan Mortgage Corporation            |
| <b>FNMA</b>   | Federal National Mortgage Association         | <b>GAN</b>      | Grant Anticipation Notes                          |
| <b>GIC</b>    | Guaranteed Investment Contract                | <b>GNMA</b>     | Government National Mortgage Association          |
| <b>GO</b>     | General Obligation                            | <b>HR</b>       | Hospital Revenue                                  |
| <b>IDB</b>    | Industrial Development Board                  | <b>IDC</b>      | Industrial Development Corporation                |
| <b>IDR</b>    | Industrial Development Revenue                | <b>LIFERS</b>   | Long Inverse Floating Exempt Receipts             |
| <b>LOC</b>    | Letter of Credit                              | <b>LOR</b>      | Limited Obligation Revenue                        |
| <b>LR</b>     | Lease Revenue                                 | <b>MERLOTS</b>  | Municipal Exempt Receipts Liquidity Option Tender |
| <b>MFHR</b>   | Multi-Family Housing Revenue                  | <b>MFMR</b>     | Multi-Family Mortgage Revenue                     |
| <b>PCR</b>    | Pollution Control Revenue                     | <b>P-FLOATS</b> | Puttable Floating Option Tax-Exempt Receipts      |
| <b>PILOT</b>  | Payment in Lieu of Taxes                      | <b>PUTTERS</b>  | Puttable Tax-Exempt Receipts                      |
| <b>RAC</b>    | Revenue Anticipation Certificates             | <b>RAN</b>      | Revenue Anticipation Notes                        |
| <b>RAW</b>    | Revenue Anticipation Warrants                 | <b>RIB</b>      | Residual Interest Bonds                           |
| <b>ROCS</b>   | Reset Option Certificates                     | <b>RRR</b>      | Resources Recovery Revenue                        |
| <b>SAAN</b>   | State Aid Anticipation Notes                  | <b>SBPA</b>     | Standby Bond Purchase Agreement                   |
| <b>SFHR</b>   | Single Family Housing Revenue                 | <b>SFMR</b>     | Single Family Mortgage Revenue                    |
| <b>SONYMA</b> | State of New York Mortgage Agency             | <b>SPEARS</b>   | Short Puttable Exempt Adjustable Receipts         |
| <b>SWDR</b>   | Solid Waste Disposal Revenue                  | <b>TAN</b>      | Tax Anticipation Notes                            |

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**TAW** Tax Anticipation Warrants

**TRAN**

Tax and Revenue Anticipation Notes

**XLCA** XL Capital Assurance

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The following is a summary of the inputs used as of June 30, 2015 in valuing the fund's investments:

| <b>Assets (\$)</b>         | <b>Level 1 -<br/>Unadjusted Quoted<br/>Prices</b> | <b>Level 2 -<br/>Other<br/>Significant<br/>Observable<br/>Inputs</b> | <b>Level 3 -<br/>Significant<br/>Unobservable<br/>Inputs</b> | <b>Total</b>       |
|----------------------------|---|--|--|--------------------|
| Investments in Securities: |   |  |  |                    |
| Municipal Bonds+           | -   | 294,935,593  | -  | <b>294,935,593</b> |

+ See Statement of Investments for additional detailed categorizations.

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The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 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.

Portfolio valuation: 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. 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 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 preceding securities are categorized as Level 2 in the hierarchy.

When market quotations or official closing prices are not readily available,

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or are determined not to reflect accurately 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 (for example, a foreign exchange or market), 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 fund's 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 as Level 2 or 3 depending on the relevant inputs used.

For restricted securities where observable inputs are limited, assumptions about market activity and risk are used and are categorized as Level 3 in the 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 trust subsequently issues two or more variable rate securities that are collateralized by the cash flows of the fixed-rate, tax-exempt municipal bonds. One or more of these variable rate securities pays interest based on a short-term floating rate set by a remarketing agent at predetermined intervals. A residual interest tax-exempt security is also created by the trust, which is transferred to the fund, and is paid interest based on the remaining cash flow of the trust, after payment of interest on the other securities and various expenses of the trust.

Additional investment related disclosures are hereby incorporated by reference to the annual and semi-annual reports previously filed with the Securities and Exchange Commission 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: August 20, 2015

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: August 20, 2015

By: /s/ James Windels

James Windels

Treasurer

Date: August 20, 2015

**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)