

SECURITIES AND EXCHANGE COMMISSION

FORM N-Q

Quarterly schedule of portfolio holdings of registered management investment company filed on Form N-Q

Filing Date: **2009-01-26** | Period of Report: **2008-11-30**
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FILER

DREYFUS MUNICIPAL FUNDS INC

CIK: **878092** | IRS No.: **000000000** | State of Incorporation: **NY** | Fiscal Year End: **0831**
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Mailing Address
*DREYFUS CORP
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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 811-6377

DREYFUS MUNICIPAL FUNDS, 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)

Michael A. Rosenberg, 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: 08/31
Date of reporting period: 11-30-2008

FORM N-Q

Item 1. Schedule of Investments.

STATEMENT OF INVESTMENTS

Dreyfus Basic Municipal Money Market Fund

November 30, 2008 (Unaudited)

	Coupon	Maturity	Principal	
Short-Term Investments--98.8%	Rate (%)	Date	Amount (\$)	Value (\$)
Alabama--2.8%				
Birmingham Industrial Development Board, Revenue (Diamond Displays, Inc. Project) (LOC; Regions Bank)	1.63	12/7/08	2,175,000 a	2,175,000

Columbia Industrial Development Board, PCR, Refunding (Alabama Power Company Project)	1.17	12/1/08	1,600,000 a	1,600,000
Evergreen Industrial Development Board, Industrial Revenue, Refunding (Tenax Manufacturing Project) (LOC; San Paolo Bank)	0.95	12/7/08	2,300,000 a	2,300,000
Haleyville Industrial Development Board, Revenue (Door Components, LLC Project) (LOC; Regions Bank)	1.63	12/7/08	1,800,000 a	1,800,000
Jefferson County, Sewer Revenue Capital Improvement Warrants	5.38	2/1/09	1,780,000 b	1,808,632
Colorado--3.8%				
CollegelInvest, Education Loan Revenue (LOC; Lloyds TSB Bank PLC)	1.10	12/7/08	5,000,000 a	5,000,000
Colorado Educational and Cultural Facilities Authority, Revenue (Clyfford Still Museum Project) (LOC; Wells Fargo Bank)	0.81	12/7/08	2,000,000 a	2,000,000
Denver City and County, Airport System Revenue (LOC; Landesbank Baden-Wurttemberg)	1.05	12/7/08	3,500,000 a	3,500,000
Solaris Metropolitan District Number 1, Property Tax Revenue (LOC; Key Bank)	1.53	12/7/08	2,610,000 a	2,610,000
District of Columbia--2.5%				
Anacostia Waterfront Corporation, PILOT Revenue (Merlots Program) (Liquidity Facility; Wachovia Bank and LOC; Wachovia Bank)	1.35	12/7/08	6,350,000 a,c	6,350,000
District of Columbia, Revenue (Idea Public Charter School) (LOC; Allfirst Bank)	1.08	12/7/08	2,100,000 a	2,100,000
Florida--11.1%				
Capital Trust Agency, MFHR (Brittany Bay Apartments - Waterman's Crossing) (Liquidity Facility; FHLMC and LOC; FHLMC)	1.14	12/7/08	2,835,000 a,c	2,835,000
Citizens Property Insurance Corporation, High-Risk Account Senior Secured Revenue	4.50	6/1/09	10,000,000	10,048,208

Florida Municipal Power Agency, Revenue, Refunding (All-Requirements Power Supply Project) (LOC; SunTrust Bank)	1.00	12/1/08	14,000,000 a	14,000,000
Jacksonville, Educational Facilities Revenue (Edward Waters College Project) (LOC; Wachovia Bank)	1.20	12/7/08	1,370,000 a	1,370,000
Miami-Dade County Health Facilities Authority, HR (Miami Children's Hospital Project) (LOC; Regions Bank)	1.43	12/7/08	10,000,000 a	10,000,000

Georgia--.9%

Athens-Clarke County Residential Care Facilities for the Elderly Authority, Revenue, Refunding (Wesley Woods of Athens, Inc. Project) (LOC; SunTrust Bank)	1.05	12/7/08	3,000,000 a	3,000,000
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Idaho--.4%

Idaho Health Facilities Authority, Revenue (Saint Luke's Regional Medical Center Project) (Insured; FSA and Liquidity Facility; Bank of Montreal)	3.70	12/1/08	1,545,000 a	1,545,000
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Illinois--1.7%

Illinois Development Finance Authority, Revenue (Aurora Central Catholic High School) (LOC; Allied Irish Banks)	1.10	12/7/08	1,000,000 a	1,000,000
Illinois Development Finance Authority, Revenue (Park Ridge Youth Campus Project) (LOC; ABN-AMRO)	1.20	12/7/08	1,100,000 a	1,100,000
Illinois Finance Authority, Revenue (Elgin Academy Project) (LOC; Charter One Bank N.A.)	1.55	12/7/08	2,185,000 a	2,185,000
Northbrook Park District, Limited Tax Park GO Notes	3.50	12/1/08	1,675,000	1,675,000

Indiana--2.1%

Elkhart County, Revenue (Hubbard Hill Estates, Inc. Project) (LOC; Fifth Third Bank)	2.50	12/7/08	3,135,000 a	3,135,000
Indiana Bond Bank, State Revolving Fund Program				

Revenue	5.00	2/1/09	1,145,000	1,150,716
Indianapolis Local Public Improvement Bond Bank, Notes	2.95	1/8/09	3,000,000	3,000,000

Iowa--1.5%

Iowa Finance Authority, SWDR (MidAmerican Energy Project)	1.40	12/7/08	5,000,000 a	5,000,000
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Kansas--1.3%

Kansas Development Finance Authority, MFHR (Delaware Highlands Assisted Living Project) (LOC; FHLB)	1.18	12/7/08	2,500,000 a	2,500,000
Shawnee, IDR (Thrall Enterprises Inc. Project) (LOC; ABN-AMRO)	1.20	12/7/08	1,800,000 a	1,800,000

Kentucky--1.5%

Williamstown, Lease Program Revenue (Kentucky League of Cities Funding Trust) (LOC; U.S. Bank NA)	1.03	12/7/08	5,000,000 a	5,000,000
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Louisiana--1.8%

Ascension Parish, Revenue (BASF Corporation Project)	1.45	12/1/08	2,800,000 a	2,800,000
Louisiana Local Government Environmental Facilities and Community Development Authority, Revenue (Price LeBlanc Facility, L.C. Project) (LOC; Regions Bank)	1.53	12/7/08	3,500,000 a	3,500,000

Maryland--.5%

Maryland Economic Development Corporation, Revenue (Chesapeake Advertising Facility) (LOC; M&T Bank)	1.28	12/7/08	1,740,000 a	1,740,000
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Massachusetts--4.4%

Massachusetts Development Finance Agency, Revenue (Carleton-Willard Village) (LOC; Bank of America)	0.80	12/7/08	150,000 a	150,000
Massachusetts Development Finance Agency, Revenue (Suffolk University Issue) (Insured; Assured Guaranty and Liquidity				

Facility; JPMorgan Chase Bank)	1.30	12/7/08	11,000,000 a	11,000,000
Massachusetts Health and Educational Facilities Authority, Revenue (Northeastern University Issue)	2.25	5/14/09	4,000,000	4,000,000
Michigan--6.0%				
Michigan Housing Development Authority, Rental Housing Revenue (Liquidity Facility;				
Landesbank Hessen-Thuringen Girozentrale)	1.10	12/7/08	6,950,000 a	6,950,000
Michigan Housing Development Authority, Rental Housing Revenue (Liquidity Facility;				
Landesbank Hessen-Thuringen Girozentrale)	1.10	12/7/08	6,090,000 a	6,090,000
Michigan Strategic Fund, LOR (NSS Technologies Project) (LOC; Wachovia Bank)	1.35	12/7/08	4,000,000 a	4,000,000
Oakland County Economic Development Corporation, LOR (Michigan Seamless Tube LLC Project) (LOC; ABN-AMRO)	1.20	12/7/08	3,490,000 a	3,490,000
Minnesota--3.1%				
Metropolitan Council, GO Notes	4.00	3/1/09	2,440,000	2,451,247
Minneapolis-Saint Paul Metropolitan Airports Commission, GO Notes Revenue, Refunding	5.50	1/1/09	3,135,000	3,143,452
Minneapolis-Saint Paul Metropolitan Airports Commission, Senior Airport Revenue, Refunding	5.00	1/1/09	1,500,000	1,502,167
Waite Park, IDR (McDowall Company Project) (LOC; U.S. Bank NA)	1.30	12/7/08	3,435,000 a	3,435,000
Nevada--4.5%				
Clark County, Airport System Subordinate Lien Revenue (LOC; Landesbank Baden-Wuerttemberg)	1.02	12/7/08	15,500,000 a	15,500,000
New York--1.5%				
Metropolitan Transportation Authority, Transportation Revenue, CP (LOC; ABN-AMRO)	1.05	2/12/09	5,000,000	5,000,000

North Carolina--5.3%

Iredell County Industrial

Facilities and Pollution

Control Financing Authority,

IDR (C.R. Onsrud, Inc.

Project) (LOC; Wachovia Bank) 1.30 12/7/08 2,970,000 a 2,970,000

North Carolina Capital Facilities

Finance Agency, Educational

Facilities Revenue (High Point

University Project) (LOC;

Branch Banking and Trust Co.) 0.95 12/7/08 4,000,000 a 4,000,000

North Carolina Medical Care

Commission, Health Care

Facility Revenue (Merlots

Program) (Providence Place

Retirement Community Nursing

Home Project) (Liquidity

Facility; Wachovia Bank and

LOC; GNMA) 1.35 12/7/08 6,335,000 a,c 6,335,000

Raleigh-Durham Airport Authority,

Airport Revenue, Refunding

(LOC; Wachovia Bank) 1.25 12/7/08 5,000,000 a 5,000,000

Oklahoma--4.3%

Optima Municipal Authority,

Industrial Revenue (Seaboard

Project) (LOC; SunTrust Bank) 1.44 12/7/08 7,500,000 a,d 7,500,000

Tulsa,

GO Notes 4.25 3/1/09 1,000,000 1,007,181

Tulsa County Industrial Authority,

Capital Improvements Revenue

(Liquidity Facility; Bank of

America) 2.75 2/17/09 6,150,000 6,150,000

Pennsylvania--11.5%

Allegheny County Industrial

Development Authority, Senior

Health and Housing Facilities

Revenue (Longwood at Oakmont,

Inc.) (LOC; Allied Irish Banks) 1.30 12/1/08 4,930,000 a 4,930,000

Bucks County Industrial

Development Authority, Revenue

(Christian Life Center

Project) (LOC; Wachovia Bank) 1.25 12/7/08 1,600,000 a 1,600,000

Chester County Industrial

Development Authority, Revenue

(YMCA of the Brandywine Valley

Project) (LOC; Fulton Bank) 0.98 12/7/08 3,500,000 a 3,500,000

Delaware County Authority,

Revenue (White Horse Village Project) (LOC; Citizens Bank of Pennsylvania)	1.10	12/1/08	1,600,000 a	1,600,000
Delaware County Industrial Development Authority, PCR, CP (Exelon Project) (LOC; Wachovia Bank)	3.50	12/3/08	3,535,000	3,535,000
Emmaus General Authority, Local Government Revenue (Bond Pool Program) (LOC; U.S. Bank NA)	0.90	12/7/08	8,000,000 a	8,000,000
Emmaus General Authority, Local Government Revenue (Bond Pool Program) (LOC; U.S. Bank NA)	0.90	12/7/08	2,400,000 a	2,400,000
Lancaster Industrial Development Authority, Revenue (Student Lodging and Student Services Project) (LOC; Fulton Bank)	1.10	12/7/08	3,810,000 a	3,810,000
North Lebanon Township Municipal Authority, Sewer Revenue (Insured; FSA and Liquidity Facility; Dexia Credit Locale)	4.75	12/7/08	3,275,000 a	3,275,000
Pennsylvania Economic Development Financing Authority, Exempt Facility Revenue (PPL Energy Supply) (LOC; Wachovia Bank)	1.80	4/9/09	2,000,000	2,000,000
Pennsylvania Economic Development Financing Authority, Revenue (Evergreen Community Power Facility) (LOC; M&T Bank)	1.18	12/7/08	5,000,000 a	5,000,000
Tennessee--8.4%				
Knox County Health, Educational and Housing Facility Board, Hospital Improvement Revenue (Covenant Health) (LOC; SunTrust Bank)	1.00	12/1/08	5,000,000 a	5,000,000
Metropolitan Government of Nashville and Davidson County Health and Educational Facilities Board, MFHR (The Fountain Apartments Project) (LOC; Fifth Third Bank)	1.68	12/7/08	10,000,000 a	10,000,000
Tennergy Corporation, Gas Revenue (Putters Program) (Liquidity Facility; JPMorgan Chase Bank)	1.06	12/7/08	3,930,000 a,c	3,930,000
Tennergy Corporation, Gas Revenue (Putters Program)				

(LOC; BNP Paribas)	1.06	12/7/08	7,905,000 a,c	7,905,000
Tennessee, CP (Liquidity Facility; Tennessee Consolidated Retirement System)	0.95	1/12/09	2,071,000	2,071,000
Texas--7.6%				
Greenville Industrial Development Corporation, IDR (Woodgrain Project) (LOC; General Electric Capital Corp.)	3.00	12/7/08	3,225,000 a	3,225,000
Harris County Industrial Development Corporation, SWDR (Deer Park Refining Limited Partnership Project)	1.30	12/1/08	8,400,000 a	8,400,000
Port of Port Arthur Navigation District of Jefferson County, Environmental Facilities Revenue, Refunding (Motiva Enterprises LLC Project)	1.00	12/1/08	5,600,000 a	5,600,000
Port of Port Arthur Navigation District of Jefferson County, Environmental Facilities Revenue, Refunding (Motiva Enterprises LLC Project)	1.50	12/7/08	5,945,000 a	5,945,000
San Antonio, Water System Revenue, CP (Liquidity Facility: Bank of America and State Street Bank and Trust Co.)	1.10	1/23/09	3,000,000	3,000,000
Vermont--1.8%				
Vermont Economic Development Authority, Revenue, CP (Economic Development Capital Program) (LOC; Calyon)	1.80	12/2/08	5,300,000	5,300,000
Vermont Educational and Health Buildings Financing Agency, Revenue (Capital Asset Financing Program) (LOC; M&T Bank)	2.10	12/7/08	800,000 a	800,000
Virginia--2.6%				
Hanover County Industrial Development Authority, IDR (Virginia Iron and Metal Company Inc., Project) (LOC; Branch Banking and Trust Co.)	1.25	12/7/08	2,855,000 a	2,855,000
Roanoke Industrial Development Authority, IDR (Virginia Transformer Corporation) (LOC;				

SunTrust Bank)	1.35	12/7/08	960,000 a	960,000
Virginia Port Authority, Subordinate Port Facilities Revenue, BAN	3.00	7/1/09	5,000,000	5,029,891

Washington--.8%

Port Chehalis Industrial Development Corporation, Revenue (JLT Holding LLC Project) (LOC; Key Bank)	2.20	12/7/08	2,735,000 a	2,735,000
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Wisconsin--5.1%

Waupaca, IDR (Gusmer Enterprises, Inc. Project) (LOC; Wachovia Bank)	1.35	12/7/08	3,350,000 a	3,350,000
Wisconsin Health and Educational Facilities Authority, Revenue (Amery Regional Medical Center, Inc.) (LOC; Fifth Third Bank)	2.70	12/7/08	8,000,000 a	8,000,000
Wisconsin Health and Educational Facilities Authority, Revenue (Mequon Jewish Campus, Inc. Project) (LOC; Bank One)	1.15	12/7/08	3,115,000 a	3,115,000
Wisconsin School Districts, COP, TRAN (Cash Flow Management Program) (LOC; U.S. Bank NA)	3.00	9/17/09	3,000,000	3,028,093

Total Investments (cost \$339,200,587)			98.8%	339,200,587
Cash and Receivables (Net)			1.2%	4,175,183
Net Assets			100.0%	343,375,770

- a Variable rate demand note - rate shown is the interest rate in effect at November 30, 2008. Maturity date represents the next demand date, or the ultimate maturity date if earlier.
- b This security is 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.
- c Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At November 30, 2008, these securities amounted to \$27,355,000 or 8.0% of net assets.
- d Purchased on a delayed delivery basis.

At November 30, 2008, the cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes.

Securities valuation policies and other 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.

Summary of Abbreviations

ABAG	Association Of Bay Area Governments	ACA	American Capital Access
AGC	ACE Guaranty Corporation	AGIC	Asset Guaranty Insurance Company
AMBAC	American Municipal Bond Assurance Corporation	ARRN	Adjustable Rate Receipt Notes
BAN	Bond Anticipation Notes	BIGI	Bond Investors Guaranty Insurance
BPA	Bond Purchase Agreement	CGIC	Capital Guaranty Insurance Company
CIC	Continental Insurance Company	CIFG	CDC Ixis Financial Guaranty
CMAC	Capital Market Assurance Corporation	COP	Certificate of Participation
CP	Commercial Paper	EDR	Economic Development Revenue
EIR	Environmental Improvement Revenue	FGIC	Financial Guaranty Insurance Company
FHA	Federal Housing Administration	FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation	FNMA	Federal National Mortgage Association
FSA	Financial Security Assurance	GAN	Grant Anticipation Notes
GIC	Guaranteed Investment Contract	GNMA	Government National Mortgage Association
GO	General Obligation	HR	Hospital Revenue
IDB	Industrial Development Board	IDC	Industrial Development Corporation
IDR	Industrial Development Revenue	LOC	Letter of Credit
LOR	Limited Obligation Revenue	LR	Lease Revenue
MFHR	Multi-Family Housing Revenue	MFMR	Multi-Family Mortgage Revenue
PCR	Pollution Control Revenue	PILOT	Payment in Lieu of Taxes
RAC	Revenue Anticipation Certificates	RAN	Revenue Anticipation Notes
RAW	Revenue Anticipation Warrants	RRR	Resources Recovery Revenue
SAAN	State Aid Anticipation Notes	SBPA	Standby Bond Purchase Agreement
SFHR	Single Family Housing Revenue	SFMR	Single Family Mortgage Revenue
SONYMA	State of New York Mortgage Agency	SWDR	Solid Waste Disposal Revenue
TAN	Tax Anticipation Notes	TAW	Tax Anticipation Warrants
TRAN	Tax and Revenue Anticipation Notes	XLCA	XL Capital Assurance

Various inputs are used in determining the value of the fund's investments relating to Financial Accounting Standard No. 157 (FAS 157), Fair Value Measurements.

These inputs are summarized in the three broad levels listed below.

Level 1 - quoted prices in active markets for identical securities.

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

Level 3 - significant unobservable inputs (including 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. For example, money market securities are valued using amortized cost, in accordance with rules under the Investment Company Act of 1940. Generally, amortized cost approximates the current fair value of a security, but since the value is not obtained from a quoted price in an active market, such securities are reflected as Level 2.

The following is a summary of the inputs used as of November 30, 2008 in valuing the fund's investments carried at fair value:

Valuation Inputs	Investments in Securities (\$)
Level 1 - Quoted Prices	0

Level 2 - Other Significant Observable Inputs	339,200,587
Level 3 - Significant Unobservable Inputs	0
Total	339,200,587

STATEMENT OF INVESTMENTS

Dreyfus Basic New Jersey Municipal Money Market Fund

November 30, 2008 (Unaudited)

Short-Term Investments--96.7%	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Bound Brook Borough, GO Notes (General Improvement (Insured; FSA)	3.75	2/15/09	325,000	325,793
Bradley Beach Borough Board of Education, GO Notes	3.25	6/1/09	100,000	100,440
Brick Township Municipal Utilities Authority, Revenue, Refunding	4.50	12/1/08	650,000	650,000
Brigantine, GO Notes	3.75	1/15/09	660,000	661,071
Brigantine, GO Notes, BAN	3.00	8/5/09	2,565,000	2,578,576
Burlington County, GO Notes (County College)	2.10	6/15/09	600,000	599,901
Burlington County Bridge Commission, County-Guaranteed Pooled Loan Revenue (Governmental Loan Program)	3.75	12/15/08	305,000	305,074
Camden County Improvement Authority, County Guaranteed Revenue (County Capital Program) (Insured; FSA)	3.50	12/1/08	460,000	460,000
Cape May County Municipal Utilities Authority, Sewer Revenue, Refunding (Insured; MBIA, Inc.)	5.25	1/1/09	235,000	235,391
Carlstadt Borough Board of Education, GO Notes (Insured; FSA)	4.00	5/1/09	250,000	251,727
Chester Township, GO Notes (Insured; FSA)	3.00	2/1/09	435,000	435,724
Cumberland County Improvement Authority, County Guaranteed Solid Waste System Revenue (Insured; MBIA, Inc.)	4.25	1/1/09	100,000	100,112
Delaware River and Bay Authority, Revenue	5.10	1/1/09	125,000	125,324

Delaware River and Bay Authority, Revenue (Insured; MBIA, Inc.)	3.25	1/1/09	100,000	100,012
East Greenwich Township Board of Education, GO Notes	3.63	4/15/09	125,000	125,533
Essex County Improvement Authority, GO Notes, LR, Refunding (County Jail and Youth House Projects)	5.00	12/1/08	250,000	252,500
Essex County Improvement Authority, Pooled Governmental Loan Program Revenue (LOC; Wachovia Bank)	1.25	12/7/08	2,100,000 a	2,100,000
Gloucester Township, GO Notes, BAN	2.50	9/9/09	1,690,000	1,694,857
Hawthorne Borough, GO Notes (General Improvement) (Insured; Assured Guaranty)	3.00	9/1/09	105,000	105,775
Hazlet Township, GO Notes (Insured; Assured Guaranty)	4.38	8/1/09	258,000	262,018
Howell Township, GO Notes, Refunding	5.00	1/1/09	200,000	200,447
Hudson County, GO Notes (County College Bonds)	4.00	7/15/09	100,000	101,129
Jersey City Municipal Utilities Authority, Sewer Revenue, Refunding (Insured; FSA)	4.50	12/1/08	120,000	120,000
Kingsway Regional High School District Board of Education, GO Notes	4.50	1/15/09	100,000	100,210
Lawrence Township, GO Notes (General Improvement)	3.50	1/15/09	700,000	701,141
Little Ferry Borough Board of Education, GO Notes (School Bonds)	2.50	6/15/09	275,000	275,507
Long Branch, GO Notes, BAN	2.25	8/14/09	1,000,000	1,000,891
Lower Township Municipal Utilities Authority, Revenue	2.20	12/1/08	150,000	150,000
Mahwah Township, GO Notes (General Improvement)	4.50	12/1/08	100,000	100,000
Mantua Township, GO Notes	3.50	8/1/09	100,000	100,815
Medford Township, GO Notes	3.75	7/1/09	100,000	100,885
Medford Township, GO Notes (Insured; FSA)	3.50	7/15/09	140,000	141,280
Mercer County Improvement Authority, LR (Governmental Leasing Program)	2.40	12/15/08	100,000	100,015

Monmouth County, GO Notes	5.00	1/15/09	150,000	150,489
Monmouth County, GO Notes	5.00	1/15/09	100,000	100,343
Monmouth County Improvement Authority, Governmental Loan Revenue	3.00	12/1/08	100,000	100,000
Montclair, GO Notes, Refunding	4.00	1/15/09	250,000	250,524
Morristown, GO Notes (Various Capital Improvements)	4.15	5/1/09	100,000	100,731
Morristown, GO Notes, Refunding (Insured; FSA)	5.15	2/1/09	100,000	100,490
New Jersey, COP (Equipment Lease Purchase Agreement)	5.00	6/15/09	350,000	354,703
New Jersey, COP, Refunding (Equipment Lease Purchase Agreement)	5.25	6/15/09	400,000	406,270
New Jersey, GO Notes (Various Purposes)	4.50	2/1/09	125,000 b	125,441
New Jersey, GO Notes (Various Purposes)	4.50	2/1/09	150,000 b	150,560
New Jersey Building Authority, State Building Revenue, Refunding	5.25	12/15/08	290,000	290,271
New Jersey Economic Development Authority, Economic Growth Revenue (Greater Mercer County Composite Issue) (LOC; Wachovia Bank)	2.10	12/7/08	420,000 a	420,000
New Jersey Economic Development Authority, EDR (AJV Holdings LLC Project) (LOC; JPMorgan Chase Bank)	2.85	12/7/08	525,000 a	525,000
New Jersey Economic Development Authority, EDR (ARND LLC Project) (LOC; Comerica Bank)	1.18	12/7/08	2,430,000 a	2,430,000
New Jersey Economic Development Authority, EDR (Lakewood Baseball Project)	5.50	12/1/08	100,000	100,000
New Jersey Economic Development Authority, EDR (Parke Place Associates Project) (LOC; Commerce Bank NA)	1.13	12/7/08	6,485,000 a	6,485,000
New Jersey Economic Development Authority, EDR (Services for Children with Hidden				

Intelligence, Inc. Project) (LOC; Fulton Bank)	1.10	12/7/08	6,500,000 a	6,500,000
New Jersey Economic Development Authority, EDR, Refunding (RDR Investment Company LLC) (LOC; JPMorgan Chase Bank)	1.28	12/7/08	1,265,000 a	1,265,000
New Jersey Economic Development Authority, First Mortgage Revenue, Refunding (Winchester Gardens at Ward Homestead Project) (LOC; Valley National Bank)	1.95	12/7/08	1,300,000 a	1,300,000
New Jersey Economic Development Authority, LR (State Office Buildings Projects)	5.75	6/15/09	200,000	203,780
New Jersey Economic Development Authority, Market Transition Facility Senior Lien Revenue, Refunding	5.00	7/1/09	2,425,000	2,464,691
New Jersey Economic Development Authority, Revenue (Falcon Safety Products, Inc. Project) (LOC; PNC Bank N.A.)	0.93	12/7/08	165,000 a	165,000
New Jersey Economic Development Authority, Revenue (Richmond Industries, Inc. and Richmond Realty, L.L.C. Projects) (LOC; Commerce Bank NA)	1.13	12/7/08	650,000 a	650,000
New Jersey Economic Development Authority, Revenue (The Peddie School Project)	4.00	2/1/09	150,000	150,448
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New Jersey Economic Development Authority, School Facilities Construction Revenue	5.00	3/1/09	650,000	654,195
New Jersey Economic Development Authority, School Facilities Construction Revenue	5.25	3/1/09	275,000	277,014
New Jersey Economic Development Authority, School Facilities Construction Revenue	5.00	6/15/09	700,000	709,756
New Jersey Economic Development Authority, School Facilities Construction Revenue	5.00	9/1/09	500,000 c	510,843
New Jersey Economic Development Authority, School Facilities Construction Revenue (Liquidity Facility; Bank of America)	1.23	12/7/08	1,895,000 a,d	1,895,000
New Jersey Educational Facilities Authority, Revenue, Refunding				

(Institute for Advanced Study Issue) (Liquidity Facility; Wachovia Bank)	2.25	12/7/08	5,600,000 a	5,600,000
New Jersey Environmental Infrastructure Trust, Wastewater Treatment Revenue, Refunding (Financing Program)	5.00	3/1/09	150,000	150,945
New Jersey Health Care Facilities Financing Authority, Department of Human Services LR (Greystone Park Psychiatric Hospital Project)	5.00	9/15/09	250,000	255,218
New Jersey Health Care Facilities Financing Authority, Revenue (AtlantiCare Regional Medical Center) (LOC; Wachovia Bank)	2.90	12/7/08	1,500,000 a	1,500,000
New Jersey Health Care Facilities Financing Authority, Revenue (The Community Hospital Group, Inc.) (LOC; Wachovia Bank)	2.90	12/7/08	3,400,000 a	3,400,000
New Jersey Housing and Mortgage Finance Agency, SFHR	3.25	4/1/09	1,245,000	1,248,643
New Jersey Transit Corporation, COP (Federal Transit Administration Grants)	5.63	9/15/09	200,000	205,380
New Jersey Transportation Trust Fund Authority (Transportation System)	5.25	12/15/08	1,900,000	1,902,044
New Jersey Transportation Trust Fund Authority (Transportation System)	5.25	12/15/08	120,000	120,147
New Jersey Transportation Trust Fund Authority (Transportation System)	5.50	6/15/09	330,000	335,656
New Jersey Turnpike Authority, Turnpike Revenue	5.50	1/1/09	355,000	355,750
New Jersey Turnpike Authority, Turnpike Revenue	6.75	1/1/09	110,000	110,388
New Jersey Turnpike Authority, Turnpike Revenue (Insured; FSA and Liquidity Facility; Dexia Credit Locale)	4.50	12/7/08	9,550,000 a	9,550,000
New Jersey Turnpike Authority, Turnpike Revenue (Insured; FSA and Liquidity Facility; Dexia Credit Locale)	4.50	12/7/08	2,100,000 a	2,100,000
Northern Highlands Regional High School District Board of Education, GO Notes	3.50	6/15/09	110,000	110,432
Ocean City,				

GO Notes (General Improvement) (Insured; Assured Guaranty)	5.00	7/15/09	180,000	183,013
Ocean County, GO Notes (College Capital Improvement)	3.00	8/1/09	185,000	186,214
Paramus School District GO Notes, GAN	2.50	9/11/09	1,391,310	1,394,482
Paterson, GO Notes (Insured; FSA)	3.50	2/1/09	200,000	200,416
Port Authority of New York and New Jersey (Consolidated Bonds, 138th Series)	4.00	12/1/08	150,000	150,000
Port Authority of New York and New Jersey (Consolidated Bonds, 151th Series) (Liquidity Facility; Citigroup)	1.14	12/7/08	10,285,000 a,d	10,285,000
Port Authority of New York and New Jersey (Putters Program) (Consolidated Bonds, 152nd Series) (Liquidity Facility; JPMorgan Chase Bank)	1.15	12/7/08	2,215,000 a,d	2,215,000
Port Authority of New York and New Jersey, Equipment Notes	1.17	12/7/08	1,745,000 a	1,745,000
Port Authority of New York and New Jersey, Equipment Notes	1.17	12/7/08	1,615,000 a	1,615,000
Port Authority of New York and New Jersey, Special Project Revenue (JFK International Air Terminal LLC Project) (Insured; MBIA, Inc.)	6.25	12/1/08	2,000,000	2,000,000
Quinton Township, GO Notes, BAN	2.75	3/1/09	1,000,000	1,001,464
Randolph Township Board of Education, GO Notes	4.55	2/1/09	165,000	165,575
Rumson-Fair Haven Regional High School District, GO Notes (Insured; FSA)	3.00	2/1/09	100,000	100,132
Sea Isle City, GO Notes, BAN	3.75	12/10/08	1,400,000	1,400,116
Seaside Park Borough, GO Notes (Insured; Assured Guaranty)	3.00	9/1/09	340,000	342,512
South Hackensack Township Board of Education, GO Notes (Insured; FSA)	4.00	2/15/09	115,000	115,327
South Jersey Port Corporation, Marine Terminal Revenue, Refunding	4.00	1/1/09	100,000	100,000

Tobacco Settlement Financing
Corporation of New Jersey,

Tobacco Settlement				
Asset-Backed Bonds (Liquidity Facility; Merrill Lynch Capital Services and LOC; Merrill Lynch)	2.82	12/7/08	5,600,000 a,d	5,600,000
Wayne Township, GO Notes, BAN	2.50	9/18/09	1,076,470	1,078,985
West Morris Regional High School District Board of Education, GO Notes	4.25	5/1/09	100,000	100,917
West New York, GO Notes	5.00	6/15/09	800,000	811,609
Total Investments (cost \$101,232,359)			96.7%	101,233,062
Cash and Receivables (Net)			3.3%	3,434,579
Net Assets			100.0%	104,667,641

a Variable rate demand note - rate shown is the interest rate in effect at November 30, 2008. Maturity date represents the next demand date, or the ultimate maturity date if earlier.

b 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.

c Purchased on a delayed delivery basis.

d Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At November 30, 2008, these securities amounted to \$19,995,000 or 19.1% of net assets.

At November 30, 2008, the cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes.

Securities valuation policies and other 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.

Summary of Abbreviations

ABAG	Association Of Bay Area Governments	ACA	American Capital Access
AGC	ACE Guaranty Corporation	AGIC	Asset Guaranty Insurance Company
AMBAC	American Municipal Bond Assurance Corporation	ARRN	Adjustable Rate Receipt Notes
BAN	Bond Anticipation Notes	BIGI	Bond Investors Guaranty Insurance
BPA	Bond Purchase Agreement	CGIC	Capital Guaranty Insurance Company
CIC	Continental Insurance Company	CIFG	CDC Ixis Financial Guaranty
CMAC	Capital Market Assurance Corporation	COP	Certificate of Participation
CP	Commercial Paper	EDR	Economic Development Revenue
EIR	Environmental Improvement Revenue	FGIC	Financial Guaranty Insurance Company
FHA	Federal Housing Administration	FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation	FNMA	Federal National Mortgage Association
FSA	Financial Security Assurance	GAN	Grant Anticipation Notes
GIC	Guaranteed Investment Contract	GNMA	Government National Mortgage Association
GO	General Obligation	HR	Hospital Revenue
IDB	Industrial Development Board	IDC	Industrial Development Corporation

IDR	Industrial Development Revenue	LOC	Letter of Credit
LOR	Limited Obligation Revenue	LR	Lease Revenue
MFHR	Multi-Family Housing Revenue	MFMR	Multi-Family Mortgage Revenue
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PCR	Pollution Control Revenue	PILOT	Payment in Lieu of Taxes
RAC	Revenue Anticipation Certificates	RAN	Revenue Anticipation Notes
RAW	Revenue Anticipation Warrants	RRR	Resources Recovery Revenue
SAAN	State Aid Anticipation Notes	SBPA	Standby Bond Purchase Agreement
SFHR	Single Family Housing Revenue	SFMR	Single Family Mortgage Revenue
SONYMA	State of New York Mortgage Agency	SWDR	Solid Waste Disposal Revenue
TAN	Tax Anticipation Notes	TAW	Tax Anticipation Warrants
TRAN	Tax and Revenue Anticipation Notes	XLCA	XL Capital Assurance

Various inputs are used in determining the value of the fund's investments relating to Financial Accounting Standard No. 157 (FAS 157), Fair Value Measurements.

These inputs are summarized in the three broad levels listed below.

Level 1 - quoted prices in active markets for identical securities.

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

Level 3 - significant unobservable inputs (including 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. For example, money market securities are valued using amortized cost, in accordance with rules under the Investment Company Act of 1940. Generally, amortized cost approximates the current fair value of a security, but since the value is not obtained from a quoted price in an active market, such securities are reflected as Level 2.

The following is a summary of the inputs used as of November 30, 2008 in valuing the fund's investments carried at fair value:

Valuation Inputs	Investments in Securities (\$)
Level 1 - Quoted Prices	0
Level 2 - Other Significant Observable Inputs	101,233,062
Level 3 - Significant Unobservable Inputs	0
Total	101,233,062

STATEMENT OF INVESTMENTS

Dreyfus AMT-Free Municipal Bond Fund

November 30, 2008 (Unaudited)

Long-Term Municipal Investments--98.0%	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Alabama--2.1%				

Alabama Board of Education, Revenue (Calhoun Community College) (Insured; AMBAC)	5.00	5/1/25	5,155,000	4,696,257
Jefferson County Public Building Authority, LR Warrants (Insured; AMBAC)	5.13	4/1/17	2,380,000	1,672,640
Alaska--1.6%				
Alaska Housing Finance Corporation, Mortgage Revenue	5.10	6/1/12	790,000	791,596
Alaska Industrial Development and Export Authority, Revenue (Providence Health and Services)	5.00	10/1/31	4,790,000	4,187,418
Arizona--1.6%				
Glendale Western Loop 101 Public Facilities Corporation, Third Lien Excise Tax Revenue	7.00	7/1/28	2,000,000	2,097,180
Salt River Project Agricultural Improvement and Power District, COP (Desert Basin Independent Trust) (Insured; MBIA, Inc.)	5.00	12/1/18	2,700,000	2,753,622
Arkansas--.3%				
Arkansas Development Finance Authority, Construction Revenue (Public Health Laboratory Project) (Insured; AMBAC)	5.00	12/1/17	1,025,000	1,039,534
California--12.8%				
Beaumont Financing Authority, Local Agency Revenue (Insured; AMBAC)	4.75	9/1/33	7,065,000	5,216,725
California, GO	5.25	10/1/16	295,000	297,950
California, GO (Insured; MBIA, Inc.)	5.25	9/1/10	105,000 a	111,725
California, GO (Various Purpose) (Insured; AMBAC)	4.25	12/1/35	4,800,000	3,357,696
California, GO (Veterans) (Insured; FSA)	5.45	12/1/24	2,635,000	2,635,079
California Department of Water Resources, Power Supply Revenue (Insured; XLCA)	5.38	5/1/12	7,000,000 a	7,826,000
California Educational Facilities Authority, Revenue (Pomona College)	0.00	7/1/30	3,005,000 b	804,078
California Public Works Board, LR (Department of Corrections) (Ten Administrative				

Segregation Housing Units (Insured; AMBAC)	5.25	3/1/21	1,000,000	1,001,100
California Public Works Board, LR (University of California) (Insured; AMBAC)	5.40	12/1/16	1,000,000	1,011,870
California Statewide Communities Development Authority, Revenue (The Salk Institute for Biological Studies) (Insured; MBIA, Inc.)	5.00	7/1/24	1,880,000	1,803,240
Glendale Community College District, GO (Insured; FGIC)	0.00	8/1/21	1,520,000 b	749,953
Glendora Unified School District, GO (Insured; FGIC)	0.00	8/1/26	2,575,000 b	852,660
Glendora Unified School District, GO (Insured; FGIC)	0.00	8/1/27	2,000,000 b	613,380
Golden State Tobacco Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/33	6,640,000	4,030,015
Nevada Joint Union High School District, GO (Insured; FSA)	5.00	8/1/22	1,160,000	1,145,222
Pajaro Valley Unified School District, GO (Insured; FSA)	0.00	8/1/26	1,500,000 b	509,790
Placer Union High School District, GO (Insured; FSA)	0.00	8/1/27	4,110,000 b	1,302,254
Placer Union High School District, GO (Insured; FSA)	0.00	8/1/28	4,000,000 b	1,178,200
San Juan Unified School District, GO (Insured; MBIA, Inc.)	5.25	8/1/20	1,425,000	1,449,681
Tustin Unified School District, Special Tax Bonds (Senior Lien Community Facilities District Number 97-1) (Insured; FSA)	0.00	9/1/21	1,615,000 b	782,290
Walnut Valley Unified School District, GO (Insured; FGIC)	6.50	8/1/19	1,765,000	1,776,067
West Sacramento Redevelopment Agency, Tax Allocation Revenue (West Sacramento Redevelopment Project) (Insured; MBIA, Inc.)	4.75	9/1/16	1,000,000	977,600
Colorado--4.6%				
Black Hawk, Device Tax Revenue	5.00	12/1/14	500,000	472,075
Black Hawk, Device Tax Revenue	5.00	12/1/18	600,000	515,646
Colorado Educational and Cultural Facilities Authority, Charter School Revenue (American Academy Project)	8.00	12/1/40	1,000,000	1,027,960
Colorado Health Facilities				

Authority, Revenue (Catholic Health Initiatives)	6.25	10/1/33	1,200,000	1,172,520
Colorado Health Facilities Authority, Revenue (Porter Place, Inc. Project) (Collateralized; GMNA)	5.88	1/20/20	1,940,000	1,968,285
Colorado Water Resources and Power Development Authority, Drinking Water Revenue	5.25	9/1/15	1,000,000	1,012,370
E-470 Public Highway Authority, Senior Revenue (Insured; MBIA, Inc.)	5.50	9/1/24	2,000,000	1,723,820
Northwest Parkway Public Highway Authority, Senior Revenue (Insured; FSA)	0.00	6/15/11	8,500,000 a,b	3,175,175
Prairie Center Metropolitan District Number 3, Limited Property Tax Supported Primary Improvements Revenue	5.40	12/15/31	4,750,000	3,158,180
Delaware--2.1%				
Delaware Economic Development Authority, PCR (Delmarva Power and Light Company Project) (Insured; AMBAC)	4.90	5/1/11	5,000,000	5,040,050
Delaware Housing Authority, Revenue	5.15	7/1/17	560,000	575,568
Delaware Housing Authority, Revenue	5.40	7/1/24	800,000	825,392
Florida--9.1%				
Broward County Educational Facilities Authority, Educational Facilities Revenue (Nova Southeastern University Project) (Insured; Assured Guaranty)	5.00	4/1/36	5,000,000	4,423,250
Capital Projects Finance Authority, Student Housing Revenue (Capital Projects Loan Program-Florida Universities) (Insured; MBIA, Inc.)	5.50	10/1/17	2,000,000	2,019,920
Florida Department of Children and Family Services, COP (South Florida Evaluation Treatment Center Project)	5.00	10/1/21	1,000,000	968,170
Florida Department of Corrections, COP (Okeechobee Correctional Institution) (Insured; AMBAC)	5.00	3/1/15	1,000,000	989,670
Florida Intergovernmental Finance Commission, Capital Revenue (Insured; AMBAC)	5.13	2/1/31	3,500,000	3,227,490
Florida State University Financial				

Assistance Inc., Educational and Athletic Facilities Improvement Revenue (Insured; AMBAC)	5.00	10/1/18	1,705,000	1,734,190
Lee County,				
Transportation Facilities Revenue (Sanibel Bridges and Causeway Project) (Insured; CIFG)	5.00	10/1/22	1,820,000	1,703,993
Miami-Dade County Educational Facilities Authority, Revenue (University of Miami Issue)	5.75	4/1/28	1,250,000	1,159,162
Miami-Dade County School Board, COP (Miami-Dade County School Board Foundation, Inc.) (Insured; AMBAC)	5.00	11/1/26	1,000,000	866,320
Orlando,				
Capital Improvement Special Revenue	4.75	10/1/22	2,875,000	2,767,475
Pace Property Finance Authority Inc., Utility System Improvement Revenue (Insured; AMBAC)	5.13	9/1/12	1,055,000	1,067,238
South Indian River Water Control District, Special Assessment Revenue Improvement (Unit of Development RI-13) (Insured; MBIA, Inc.)	5.00	8/1/21	2,000,000	1,755,080
South Indian River Water Control District, Special Assessment Revenue Improvement (Unit of Development RI-13) (Insured; MBIA, Inc.)	5.00	8/1/26	1,955,000	1,609,121
South Indian River Water Control District, Special Assessment Revenue Improvement (Unit of Development RI-13) (Insured; MBIA, Inc.)	5.00	8/1/31	750,000	585,975
University of Central Florida, COP (UCF Convocation Corporation Master Lease Program) (Insured; FGIC)	5.00	10/1/18	1,765,000	1,474,022
Winter Park,				
Water and Sewer Revenue (Insured; AMBAC)	5.38	12/1/19	1,525,000	1,564,437
Georgia--1.8%				
Atlanta,				
Tax Allocation Revenue (Atlantic Station Project) (Insured; Assured Guaranty)	5.00	12/1/23	1,000,000	932,020

Atlanta,				
Water and Wastewater Revenue (Insured; FGIC)	5.50	11/1/18	1,200,000	1,228,140
Bulloch County Development Authority, Student Housing LR (Georgia Southern University Project) (Insured; AMBAC)	5.00	8/1/18	970,000	982,920
Georgia Higher Education Facilities Authority, Revenue (USG Real Estate Foundation I, LLC Project)	6.00	6/15/34	2,500,000	2,352,500

Idaho--3.6%

Boise State University, Student Union and Housing System Revenue (Insured; FGIC)	5.38	4/1/12	5,000 a	5,476
Boise-Kuna Irrigation District, Revenue (Arrowrock Hydroelectric Project)	7.38	6/1/40	5,600,000	5,769,456
Caldwell, Parity Lien Sewer Revenue (Insured; FSA)	5.75	9/1/18	2,625,000	2,756,276
Idaho Health Facilities Authority, Revenue (Trinity Health Credit Group)	6.13	12/1/28	2,500,000	2,438,150

Illinois--4.8%

Chicago Board of Education, Unlimited Tax GO (Dedicated Revenues)	5.25	12/1/25	2,500,000	2,488,850
Huntley, Special Service Area Number Nine Special Tax Bonds (Insured; Assured Guaranty)	5.10	3/1/28	3,500,000	3,168,760
Illinois Finance Authority, Revenue (Edward Hospital Obligated Group) (Insured; AMBAC)	6.00	2/1/28	750,000	681,315
Illinois Finance Authority, Revenue (Edward Hospital Obligated Group) (Insured; AMBAC)	6.25	2/1/33	500,000	451,960
Illinois Finance Authority, Revenue (Rush University Medical Center Obligated Group) (Insured; MBIA, Inc.)	5.75	11/1/28	1,000,000	879,840
Illinois Finance Authority, Revenue (Sherman Health Systems)	5.50	8/1/37	2,000,000	1,376,880
Illinois Health Facilities Authority, Revenue (Delnor-Community Hospital)				

(Insured; FSA)	5.25	5/15/27	6,000,000	5,667,780
Kentucky--1.3%				
Barbourville,				
Educational Facilities First Mortgage Revenue (Union College Energy Conservation Project)	5.25	9/1/26	1,500,000	1,321,260
Louisville/Jefferson County Metro				
Government, Health Facilities Revenue (Jewish Hospital and Saint Mary's Healthcare, Inc. Project)	6.13	2/1/37	3,000,000	2,558,790
Louisiana--3.1%				
Louisiana Office Facilities				
Corporation, LR (Louisiana State Capital Complex Program) (Insured; AMBAC)	5.50	5/1/15	705,000	737,254
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Louisiana Office Facilities				
Corporation, LR (Louisiana State Capital Complex Program) (Insured; MBIA, Inc.)	5.25	3/1/17	4,500,000	4,570,200
Orleans Parish School Board,				
Public School Revenue (Insured; FGIC)	5.20	2/1/14	4,355,000	4,357,831
Maine--1.4%				
Maine Housing Authority,				
Mortgage Purchase Bonds	5.35	11/15/21	4,290,000	4,228,052
Maryland--2.9%				
Hyattsville,				
Special Obligation Revenue (University Town Center Project)	5.60	7/1/24	1,500,000	1,172,820
Maryland Community Development				
Administration, Department of Housing and Community Development, Housing Revenue	5.95	7/1/23	1,150,000	1,139,983
Maryland Community Development				
Administration, Department of Housing and Community Development, Residential Revenue (Single Family Program)	4.75	4/1/13	2,890,000	2,931,818
Maryland Economic Development				
Corporation, LR (Montgomery County Wayne Avenue Parking Garage Project)	5.25	9/15/14	1,295,000	1,382,412
Maryland Health and Higher				
Educational Facilities Authority, Revenue (University of Maryland Medical System Issue)	5.75	7/1/12	2,000,000 a	2,208,500

Michigan--4.0%

Greater Detroit Resource Recovery Authority, RRR (Insured; AMBAC)	6.25	12/13/08	1,000,000	1,001,440
Jonesville Community Schools, GO Unlimited Tax (School Bond Loan Fund Guaranteed) (Insured; MBIA, Inc.)	5.00	5/1/16	685,000	729,319
Kalamazoo Hospital Finance Authority, HR (Borgess Medical Center) (Insured; FGIC)	6.25	6/1/14	1,000,000	1,165,430
Kent Hospital Finance Authority, Revenue (Metropolitan Hospital Project)	5.50	7/1/20	1,255,000	1,046,105
Lincoln Consolidated School District, GO Unlimited Tax (School Bond Loan Fund Guaranteed) (Insured; FSA)	5.00	5/1/16	1,155,000	1,232,443
Michigan Hospital Finance Authority, HR (MidMichigan Obligated Group)	5.00	4/15/36	3,750,000	2,708,287
Michigan Public Educational Facilities Authority, LOR (Nataki Talibah Schoolhouse of				

Detroit Project)	6.50	10/1/30	3,040,000	2,423,974
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Michigan Tobacco Settlement Finance Authority, Tobacco Settlement Asset-Backed Bonds	6.00	6/1/34	3,000,000	1,998,270
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Mississippi--1.1%

Horn Lake, Special Assessment Bonds (DeSoto Commons Project) (Insured; AMBAC)	5.00	4/15/16	625,000	646,469
Mississippi Development Bank, Special Obligation Revenue (Waveland, GO Public Improvement Bond Project) (Insured; AMBAC)	5.00	11/1/20	1,315,000	1,297,300
Warren County, Gulf Opportunity Zone Revenue (International Paper Company Projects)	6.50	9/1/32	2,000,000	1,538,840

Missouri--1.1%

Missouri Housing Development Commission, MFHR (Collateralized; FHA)	4.85	12/1/11	275,000	283,797
Missouri Housing Development Commission, MFHR (Collateralized; FHA)	5.25	12/1/16	830,000	842,151
Missouri Housing Development Commission, MFHR				

(Collateralized; FHA)	5.38	12/1/18	755,000	777,801
Saint Louis County,				
Annual Appropriation-Supported Tax Increment Revenue (Lambert Airport Eastern Perimeter Redevelopment Project)				
(Insured; AMBAC)	5.00	2/15/25	1,265,000	1,232,009
Saint Louis County,				
Annual Appropriation-Supported Tax Increment Revenue (Lambert Airport Eastern Perimeter Redevelopment Project)				
(Insured; AMBAC)	5.00	2/15/26	220,000	212,348
Nebraska--.8%				
Municipal Energy Agency of Nebraska, Power Supply System Revenue (Insured; AMBAC)				
	5.25	4/1/16	2,305,000	2,409,808
New Hampshire--.6%				
New Hampshire Housing Finance Authority, Multi-Family Revenue				
	5.05	7/1/12	760,000	770,435
New Hampshire Housing Finance Authority, Multi-Family Revenue				
	5.15	7/1/13	1,175,000	1,188,583
New Jersey--1.4%				
New Jersey Turnpike Authority, Turnpike Revenue				
	6.50	1/1/16	65,000	77,128
New Jersey Turnpike Authority, Turnpike Revenue				
	6.50	1/1/16	185,000	206,055
New Jersey Turnpike Authority, Turnpike Revenue				
	6.50	1/1/16	750,000	855,060
Tobacco Settlement Financing Corporation of New Jersey, Tobacco Settlement Asset-Backed Bonds				
	5.00	6/1/41	6,000,000	3,279,060
New Mexico--.8%				
New Mexico Hospital Equipment Loan Council, Hospital System Revenue (Presbyterian Healthcare Services)				
	6.13	8/1/28	2,500,000	2,395,125
New York--1.9%				
Long Island Power Authority, Electric System General Revenue				
	6.00	5/1/33	5,000,000	5,011,250
Seneca Nation Indians Capital Improvements Authority, Special Obligation Revenue				
	5.00	12/1/23	1,000,000 c	722,790
North Carolina--.3%				
Onslow County Hospital Authority, FHA Insured Mortgage Revenue (Onslow Memorial Hospital Project) (Insured; MBIA, Inc.)				
	5.00	10/1/25	1,250,000	951,325

Ohio--4.0%

Buckeye Tobacco Settlement				
Financing Authority, Tobacco				
Settlement Asset-Backed Bonds	5.88	6/1/47	3,000,000	1,857,540
Elyria City School District,				
GO Classroom Facilities and				
School Improvement Bonds				
(Insured; XLCA)	5.00	12/1/35	5,850,000	5,086,516
Lorain,				
Hospital Improvement Revenue				
(Lakeland Community Hospital,				
Inc.)	6.50	11/15/12	465,000	491,789
Maple Heights City School District				
Board of Education, COP (Wylie				
Athletic Complex Project)	6.00	11/1/28	1,150,000	1,016,680
Ohio Water Development Authority,				
Water Development Revenue				
(Fresh Water Improvement)	4.75	12/1/27	1,900,000	1,812,980
Toledo-Lucas County Port				
Authority, Development Revenue				
(Northwest Ohio Bond Fund)				
(Toledo School for the Arts				
Project)	5.50	5/15/28	2,720,000	2,046,963
Oklahoma--6%				
Oklahoma Development Finance				
Authority, Health Facilities				
Revenue (Oklahoma Hospital				
Association) (Insured; AMBAC)	5.13	12/1/10	785,000 a	842,501
Tulsa Industrial Authority,				
Student Housing Revenue (The				
University of Tulsa)	5.25	10/1/26	1,135,000	1,022,329
Oregon--9%				
Oregon,				
GO (Alternate Energy Project)	6.00	10/1/26	1,400,000	1,495,326
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Oregon Bond Bank,				
Revenue (Economic Community				
Development Department)				
(Insured; MBIA, Inc.)	5.50	1/1/14	590,000	603,187
Oregon Housing and Community				
Services Department, Mortgage				
Revenue (Single-Family				
Mortgage Program)	4.80	7/1/23	875,000	802,515
Pennsylvania--8.3%				
Chester County Industrial				
Development Authority, Revenue				
(Avon Grove Charter School				
Project)	6.38	12/15/37	2,000,000	1,484,140
Coatesville Area School District,				
GO (Insured; FSA)	5.25	8/15/17	4,000,000	4,187,120
Dauphin County General Authority,				
Office and Parking Revenue				

(Riverfront Office Center Project)	6.00	1/1/25	2,000,000	1,396,440
Lancaster Parking Authority, Guaranteed Parking Revenue (Insured; AMBAC)	5.00	12/1/32	1,980,000	1,709,552
Pennsylvania Higher Educational Facilities Authority, Revenue (Edinboro University Foundation Student Housing Project at Edinboro University of Pennsylvania)	5.88	7/1/38	1,500,000	1,077,915
Pennsylvania Housing Finance Agency, Capital Fund Securitization Revenue (Insured; FSA)	5.00	12/1/25	4,400,000	4,149,640
Pennsylvania Industrial Development Authority, EDR Philadelphia,	5.50	7/1/23	2,000,000	1,947,100
GO (Insured; FSA)	5.25	12/15/23	3,500,000	3,345,580
Philadelphia Hospitals and Higher Education Facilities Authority, Health System Revenue (Jefferson Health System)	5.00	5/15/11	1,410,000	1,425,256
Sayre Health Care Facilities Authority, Revenue (Guthrie Health Issue)	6.25	12/1/11	730,000 a	818,527
Sayre Health Care Facilities Authority, Revenue (Guthrie Health Issue)	6.25	12/1/14	270,000	277,898
State Public School Building Authority, School Revenue (School District of Haverford Township Project) (Insured; XLCA)	5.25	3/15/21	1,210,000	1,163,875
Washington County Industrial Development Authority, PCR (West Penn Power Company Mitchell Station Project)				
(Insured; AMBAC)	6.05	4/1/14	2,500,000	2,508,000
South Carolina--4%				
Pickens County School District, GO (School District Enhance Program)	5.00	5/1/09	1,135,000 a	1,153,557
Texas--15.4%				
Austin Convention Enterprises, Inc., Convention Center Hotel First Tier Revenue	6.60	1/1/11	2,500,000 a	2,714,750
Austin Convention Enterprises, Inc., Convention Center Hotel				

Second Tier Revenue	6.00	1/1/15	1,580,000	1,393,987
Austin Convention Enterprises, Inc., Convention Center Hotel				
Second Tier Revenue	5.75	1/1/24	2,750,000	2,037,035
Austin Convention Enterprises, Inc., Convention Center Hotel				
Second Tier Revenue	5.75	1/1/34	1,000,000	674,900
Coastal Water Authority, Water Conveyance System				
Revenue (Insured; AMBAC)	6.25	12/15/17	2,170,000	2,177,291
Corpus Christi, Combination Tax and Municipal Hotel Occupancy Tax Revenue, Certificates of Obligation (Insured; FSA)	5.50	9/1/18	1,955,000	2,067,237
Corpus Christi, Utility System Revenue (Insured; FSA)	5.00	7/15/21	1,000,000	990,530
Del Mar College District, Limited Tax Bonds (Insured; FGIC)	5.25	8/15/17	1,295,000	1,375,212
Denton, GO (Insured; CIFG)	5.00	2/15/22	450,000	447,728
Denton Independent School District, Unlimited Tax School Building Bonds (Permanent School Fund Guarantee Program)	0.00	8/15/23	135,000 b	56,406
El Paso Independent School District, Unlimited Tax School Building Bonds (Permanent School Fund Guarantee Program)	5.00	8/15/20	415,000	419,719
Fort Worth, General Purpose Bonds	5.00	3/1/20	700,000	709,107
Galveston County, Combination Tax and Revenue Certificates of Obligation (Insured; AMBAC)	5.25	2/1/18	1,000,000	1,027,430
Houston, Tax and Revenue Certificates of Obligation	5.63	3/1/11	550,000 a	591,459
Houston, Tax and Revenue Certificates of Obligation	5.63	3/1/11	300,000 a	322,614
Houston, Water and Sewer System Revenue (Insured; FSA)	5.00	12/1/18	1,145,000	1,165,770
Laredo Independent School District Public Facility Corporation, LR (Insured; AMBAC)	5.00	8/1/21	585,000	556,920
Laredo Independent School District				

Public Facility Corporation, LR (Insured; AMBAC)	5.00	8/1/21	740,000	725,659
Laredo Independent School District Public Facility Corporation, LR (Insured; AMBAC)	5.00	8/1/29	1,000,000	881,270
Leander Independent School District, Unlimited Tax School Building Bonds (Permanent School Fund Guarantee Program)	0.00	8/15/30	4,000,000 b	1,044,600
Leander Independent School District, Unlimited Tax School Building Bonds (Permanent School Fund Guarantee Program)	0.00	8/15/31	9,110,000 b	2,216,827
Little Elm Independent School District, Unlimited Tax School Building Bonds (Permanent School Fund Guarantee Program)	0.00	8/15/22	1,285,000 b	562,175
Lubbock Health Facilities Development Corporation, Revenue (Sears Plains Retirement Corporation Project) (Collateralized; GNMA)	5.50	1/20/21	995,000	1,007,736
Lubbock Housing Finance Corporation, MFHR (Las Colinas, Quail Creek and Parkridge Place Apartments Projects)	6.00	7/1/22	1,175,000	888,782
McKinney, Tax and Limited Pledge Waterworks and Sewer System Revenue, Certificates of Obligation (Insured; AMBAC)	5.00	8/15/26	1,300,000	1,252,550
Mesquite Independent School District, Unlimited Tax School Building Bonds (Permanent School Fund Guarantee Program)	5.50	8/15/20	1,100,000	1,132,186
Mesquite Independent School District, Unlimited Tax School Building Bonds (Permanent School Fund Guarantee Program)	0.00	8/15/27	1,000,000 b	318,980
Mesquite Independent School District, Unlimited Tax School Building Bonds (Permanent School Fund Guarantee Program)	0.00	8/15/28	4,675,000 b	1,329,804
Montgomery Independent School District, Unlimited Tax School Building Bonds (Permanent School Fund Guarantee Program)	5.00	2/15/25	1,315,000	1,296,235
North Harris Montgomery Community College District, Limited Tax GO Building Bonds (Insured;				

FGIC)	5.38	2/15/17	145,000	152,472
North Texas Tollway Authority, First Tier System Revenue	5.63	1/1/33	5,000,000	4,313,500
North Texas Tollway Authority, First Tier System Revenue	5.75	1/1/40	3,000,000	2,537,070
North Texas Tollway Authority, Second Tier System Revenue	5.75	1/1/38	5,000,000	4,173,800
Pearland Economic Development Corporation, Sales Tax Revenue (Insured; AMBAC)	5.00	9/1/24	1,035,000	905,915
San Antonio	5.00	2/1/16	120,000	120,271
San Antonio, Electric and Gas Revenue	5.50	2/1/20	255,000	280,768
Schertz-Cibolo Universal City Independent School District, Unlimited Tax School Building Bonds (Permanent School Fund Guarantee Program)	0.00	2/1/32	5,545,000 b	1,253,558
Sharyland Independent School District, Unlimited Tax School Building Bonds (Permanent School Fund Guarantee Program)	5.00	2/15/17	1,130,000	1,176,918
Texas National Research Laboratory Commission Financing Corporation, LR (Superconducting Super Collider Project)	6.95	12/1/12	535,000	584,589
Utah--.4%				
Intermountain Power Agency, Subordinated Power Supply Revenue	5.25	7/1/22	1,250,000	1,247,537
Virginia--.8%				
Fairfax County Redevelopment and Housing Authority, LR (James Lee Community Center)	5.25	6/1/19	1,120,000	1,146,219
Middle River Regional Jail Authority, Jail Facility Revenue (Insured; MBIA, Inc.)	5.00	5/15/19	1,200,000	1,200,372
Washington--1.8%				
Washington Economic Development Finance Authority, EDR (Benaroya Research Institute at Virginia Mason Project)	4.00	6/1/24	2,645,000	2,129,622
Washington Health Care Facilities Authority, Mortgage Revenue (Highline Medical Center) (Collateralized; FHA)	6.25	8/1/36	3,500,000	3,407,600
Wisconsin--.3%				
Milwaukee Housing Authority, MFHR (Veterans Housing				

Projects) (Collateralized; FNMA)	5.10	7/1/22	1,000,000	1,006,140
Total Investments (cost \$332,409,675)			98.0%	300,789,397
Cash and Receivables (Net)			2.0%	6,117,848
Net Assets			100.0%	306,907,245

- a 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.
- b Security issued with a zero coupon. Income is recognized through the accretion of discount.
- c Security exempt from registration under Rule 144A of the Securities Act of 1933. This security may be resold in transactions exempt from registration, normally to qualified institutional buyers. At November 30, 2008, this security amounted to \$722,790 or .2% of net assets.

At November 30, 2008, the aggregate cost of investment securities for income tax purposes was \$332,409,675. Net unrealized depreciation on investments was \$31,620,278 of which \$2,968,258 related to appreciated investment securities and \$34,588,536 related to depreciated investment securities.

Securities valuation policies and other 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.

Summary of Abbreviations

ABAG	Association Of Bay Area Governments	ACA	American Capital Access
AGC	ACE Guaranty Corporation	AGIC	Asset Guaranty Insurance Company
AMBAC	American Municipal Bond Assurance Corporation	ARRN	Adjustable Rate Receipt Notes
BAN	Bond Anticipation Notes	BIGI	Bond Investors Guaranty Insurance
BPA	Bond Purchase Agreement	CGIC	Capital Guaranty Insurance Company
CIC	Continental Insurance Company	CIFG	CDC Ixis Financial Guaranty
CMAC	Capital Market Assurance Corporation	COP	Certificate of Participation
CP	Commercial Paper	EDR	Economic Development Revenue
EIR	Environmental Improvement Revenue	FGIC	Financial Guaranty Insurance Company
FHA	Federal Housing Administration	FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation	FNMA	Federal National Mortgage Association
FSA	Financial Security Assurance	GAN	Grant Anticipation Notes
GIC	Guaranteed Investment Contract	GNMA	Government National Mortgage Association
GO	General Obligation	HR	Hospital Revenue
IDB	Industrial Development Board	IDC	Industrial Development Corporation
IDR	Industrial Development Revenue	LOC	Letter of Credit
LOR	Limited Obligation Revenue	LR	Lease Revenue
MFHR	Multi-Family Housing Revenue	MFMR	Multi-Family Mortgage Revenue
PCR	Pollution Control Revenue	PILOT	Payment in Lieu of Taxes
RAC	Revenue Anticipation Certificates	RAN	Revenue Anticipation Notes
RAW	Revenue Anticipation Warrants	RRR	Resources Recovery Revenue
SAAN	State Aid Anticipation Notes	SBPA	Standby Bond Purchase Agreement
SFHR	Single Family Housing Revenue	SFMR	Single Family Mortgage Revenue
SONYMA	State of New York Mortgage Agency	SWDR	Solid Waste Disposal Revenue
TAN	Tax Anticipation Notes	TAW	Tax Anticipation Warrants
TRAN	Tax and Revenue Anticipation Notes	XLCA	XL Capital Assurance

Various inputs are used in determining the value of the fund's investments relating to Financial Accounting Standard No. 157 (FAS 157), Fair Value Measurements.

These inputs are summarized in the three broad levels listed below.

Level 1 - quoted prices in active markets for identical securities.

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

Level 3 - significant unobservable inputs (including 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.

The following is a summary of the inputs used as of November 30, 2008 in valuing the fund's investments carried at fair value:

Valuation Inputs	Investments in Securities (\$)	Other Financial Instruments* (\$)
Level 1 - Quoted Prices	0	0
Level 2 - Other Significant Observable Inputs	300,789,397	0
Level 3 - Significant Unobservable Inputs	0	0
Total	300,789,397	0

*Other financial instruments include derivative instruments, such as futures, forward currency exchange contracts and swap contracts, which are valued at the unrealized appreciation (depreciation) on the instrument.

STATEMENT OF INVESTMENTS

Dreyfus High Yield Municipal Bond Fund

November 30, 2008 (Unaudited)

Long-Term Municipal Investments--90.4%	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Alaska--7%				
Alaska Industrial Development and Export Authority, Community Provider Revenue (Boys and Girls Home and Family Services, Inc. Project)	5.88	12/1/27	2,000,000	1,348,300
Arizona--5.7%				
Mohave County Industrial Development Authority, Correctional Facilities Contract Revenue (Mohave Prison, LLC Expansion Project)	8.00	5/1/25	3,000,000	2,894,310
Pima County Industrial Development Authority, Education				

Facilities Revenue (Sonoran Science Academy Tucson Project)	5.75	12/1/37	2,750,000	1,849,375
Pima County Industrial Development Authority, Education Revenue (American Charter Schools Foundation Project)	5.63	7/1/38	3,000,000	2,051,340
Pinal County Electrical District Number 4, Electric System Revenue	6.00	12/1/38	1,150,000	919,609
Scottsdale Industrial Development Authority, HR (Scottsdale Healthcare)	5.25	9/1/30	3,700,000	2,921,039
California--4.9%				
California Health Facilities Financing Authority, Revenue (Sutter Health)	5.25	8/15/22	2,105,000	1,968,912
California Statewide Communities Development Authority, Environmental Facilities Revenue (Microgy Holdings Project)	9.00	12/1/38	1,500,000	1,290,255
California Statewide Communities Development Authority, Revenue (Bentley School)	6.75	7/1/32	995,000	795,144
California Statewide Communities Development Authority, Revenue (Daughters of Charity Health System)	5.25	7/1/35	3,300,000	2,109,162
Golden State Tobacco Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/33	2,265,000	1,374,696
Golden State Tobacco Securitization Corporation, Tobacco Settlement				
Asset-Backed Bonds	5.75	6/1/47	2,000,000	1,260,960
Silicon Valley Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds (Santa Clara County Tobacco Securitization Corporation)	0.00	6/1/36	5,710,000 a	379,772
Colorado--3.7%				
Arista Metropolitan District, Special Revenue	6.75	12/1/35	1,000,000	710,480
Arista Metropolitan District, Subordinate Special Revenue	9.25	12/1/37	1,000,000	909,910
Colorado Educational and Cultural Facilities Authority, Independent School Improvement				

Revenue (Vail Christian High School Project)	5.50	6/1/37	2,000,000	1,318,060
Colorado Health Facilities Authority, Revenue (American Baptist Homes of the Midwest Obligated Group)	5.90	8/1/37	3,500,000	2,343,005
Colorado Health Facilities Authority, Revenue (Christian Living Communities Project)	5.75	1/1/37	1,800,000	1,098,054
El Paso County, SFMR (Collateralized: FNMA and GNMA)	6.20	11/1/32	615,000	622,386
Connecticut--1.2%				
Mashantucket Western Pequot Tribe, Special Revenue	6.50	9/1/31	3,000,000 b	2,249,700
District of Columbia--2.8%				
District of Columbia Housing Finance Agency, SFMR (Collateralized: FHA, FNMA and GNMA)	6.65	6/1/30	2,915,000	2,976,798
District of Columbia Housing Finance Agency, SFMR (Collateralized: FHA, FNMA and GNMA)	7.50	12/1/30	1,240,000	1,309,688
District of Columbia Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds	6.50	5/15/33	620,000	448,911
District of Columbia Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds	0.00	6/15/46	11,560,000 a	252,355
Metropolitan Washington Airports Authority, Special Facility Revenue (Caterair International Corporation)	10.13	9/1/11	220,000	213,836
Florida--2.6%				
Jacksonville Economic Development Commission, Health Care Facilities Revenue (Florida Proton Therapy Institute				
Project)	6.25	9/1/27	1,000,000 b	777,130
Jacksonville Economic Development Commission, IDR (Gerdau Ameristeel US Inc. Project)	5.30	5/1/37	1,700,000	1,050,141
Palm Bay, Educational Facilities Revenue (Patriot Charter School Project)	7.00	7/1/36	4,000,000	3,014,400
Georgia--.9%				

Georgia Housing and Finance Authority, SFMR	5.60	12/1/32	1,685,000	1,601,677
Idaho--1.9%				
Power County Industrial Development Corporation, SWDR (FMC Corporation Project)	6.45	8/1/32	5,000,000	3,592,000
Illinois--7.6%				
Chicago, SFMR (Collateralized: FHLMC, FNMA and GNMA)	6.00	10/1/33	410,000	400,090
Harvey, GO	5.63	12/1/32	4,000,000	3,428,720
Illinois Educational Facilities Authority, Student Housing Revenue (University Center Project)	6.25	5/1/12	1,000,000 c	1,130,780
Illinois Finance Authority, MFHR (DeKalb Supportive Living Facility Project)	6.10	12/1/41	2,750,000	1,952,087
Illinois Finance Authority, Revenue (Sherman Health Systems)	5.50	8/1/37	3,000,000	2,065,320
Quad Cities Regional Economic Development Authority, MFHR (Heritage Woods of Moline SLF Project)	6.00	12/1/41	1,000,000	699,170
Will Kankakee Regional Development Authority, MFHR (Senior Estates Supportive Living Project)	7.00	12/1/42	2,000,000	1,608,320
Yorkville United City, Sales Tax Revenue (Kendall Marketplace Project)	6.00	1/1/26	3,755,000	2,735,668
Yorkville United City, Sales Tax Revenue (Kendall Marketplace Project)	6.00	1/1/27	420,000	303,295
Iowa--.4%				
Coralville, Annual Appropriation Urban Renewal Tax Increment Revenue	6.00	6/1/36	1,000,000	758,930
Kansas--1.9%				
Sedgwick and Shawnee Counties, SFMR (Mortgage-Backed Securities Program) (Collateralized: FNMA and GNMA)	5.70	12/1/35	885,000	862,397
Sedgwick and Shawnee Counties, SFMR (Mortgage-Backed Securities Program) (Collateralized: FNMA and GNMA)	6.25	12/1/35	2,570,000	2,620,192

Kentucky--.5%

Kentucky Area Development Districts Financing Trust, COP (Lease Acquisition Program)	5.50	5/1/27	1,070,000	988,359
Louisiana--6.3%				
Lakeshore Villages Master Community Development District, Special Assessment Revenue	5.25	7/1/17	4,867,000	3,973,905
Louisiana Local Government Environmental Facilities and Community Development Authority, Revenue (Westlake Chemical Corporation Projects)	6.75	11/1/32	4,000,000	2,961,800
Louisiana Public Facilities Authority, Revenue (SUSLA Facilities, Inc. Project)	5.75	7/1/39	4,000,000	2,711,520
Saint James Parish, SWDR (Freeport-McMoRan Partnership Project)	7.70	10/1/22	2,530,000	2,134,409
Maryland--.6%				
Maryland Health and Higher Educational Facilities Authority, Revenue (Washington County Hospital Issue)	6.00	1/1/28	1,400,000	1,096,830
Massachusetts--.6%				
Massachusetts Health and Educational Facilities Authority, Revenue (Fisher College Issue)	5.13	4/1/30	1,780,000	1,195,875
Michigan--3.5%				
Charyl Stockwell Academy, COP	5.90	10/1/35	2,080,000	1,494,002
Kent Hospital Finance Authority, Revenue (Metropolitan Hospital Project)	6.00	7/1/35	2,000,000	1,546,740
Michigan Strategic Fund, SWDR (Genesee Power Station Project)	7.50	1/1/21	4,385,000	3,598,769
Minnesota--2.7%				
Cottage Grove, Subordinate Senior Housing Revenue (PHS/Cottage Grove, Inc. Project)	6.00	12/1/46	1,500,000	1,044,945
North Oaks, Senior Housing Revenue (Presbyterian Homes of North Oaks, Inc. Project)	6.50	10/1/47	3,000,000	2,184,990
Saint Paul Housing and Redevelopment Authority, Hospital Facility Revenue (HealthEast Project)	6.00	11/15/30	1,500,000	1,114,860

Saint Paul Housing and Redevelopment Authority, Hospital Facility Revenue (HealthEast Project)	6.00	11/15/35	1,000,000	724,430
Mississippi--1.9%				
Mississippi Business Finance Corporation, PCR (System Energy Resources, Inc. Project)	5.90	5/1/22	1,500,000	1,195,215
Mississippi Home Corporation, SFMR (Collateralized: FNMA and GNMA)	6.25	12/1/32	2,290,000	2,293,206
Missouri--1.5%				
Missouri Development Finance Board, Infrastructure Facilities Revenue (Branson Landing Project)	5.63	12/1/28	3,000,000	2,303,310
Missouri Housing Development Commission, SFMR (Homeownership Loan Program) (Collateralized: FNMA and GNMA)	7.50	3/1/31	570,000	602,097
New Hampshire--.7%				
New Hampshire Health and Education Facilities Authority, Revenue (The Memorial Hospital Issue)	5.25	6/1/36	1,900,000	1,301,310
New Jersey--3.5%				
New Jersey Economic Development Authority, Cigarette Tax Revenue	5.75	6/15/29	3,070,000	2,221,237
New Jersey Economic Development Authority, EDR (United Methodist Homes of New Jersey Obligated Group Issue)	5.50	7/1/19	425,000	329,970
New Jersey Health Care Facilities Financing Authority, Revenue (Bayonne Hospital Obligated Group Issue) (Insured; FSA)	6.25	7/1/12	1,815,000	1,674,374
New Jersey Health Care Facilities Financing Authority, Revenue (Saint Joseph's Healthcare System Obligated Group Issue)	6.63	7/1/38	3,000,000	2,278,770
Tobacco Settlement Financing Corporation of New Jersey, Tobacco Settlement Asset-Backed Bonds	0.00	6/1/41	4,000,000 a	143,640
New Mexico--.9%				
Farmington, PCR (Public Service Company of New Mexico San Juan Project)	6.30	12/1/16	1,000,000	895,430
New Mexico Mortgage Finance Authority, Single Family				

Mortgage Program Revenue (Collateralized: FHLMC, FNMA and GNMA)	6.15	7/1/35	830,000	829,618
New York--2.4%				
New York City Industrial Development Agency, Liberty				
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Revenue (7 World Trade Center Project)	6.25	3/1/15	1,500,000	1,244,160
New York Liberty Development Corporation, Revenue (National Sports Museum Project)	6.13	2/15/19	2,500,000 d	298,500
New York State Dormitory Authority, Revenue (Orange Regional Medical Center Obligated Group)	6.25	12/1/37	4,000,000	2,977,000
North Carolina--.4%				
North Carolina Medical Care Commission, Health Care Facilities First Mortgage Revenue (Deerfield Episcopal Retirement Community)				
	6.13	11/1/38	1,000,000	815,720
Oklahoma--1.5%				
Chickasaw Nation, Health System Bonds				
	6.25	12/1/32	1,680,000	1,290,677
Oklahoma Development Finance Authority, SWDR (Waste Management of Oklahoma, Inc. Project)	7.00	12/1/10	1,500,000	1,495,485
Other State--.8%				
Munimae Tax Exempt Subsidiary LLC	5.90	9/30/20	2,000,000	1,440,140
Pennsylvania--6.6%				
Delaware County Industrial Development Authority, Revenue (Resource Recovery Facility)				
	6.20	7/1/19	5,025,000	4,152,760
Harrisburg Authority, University Revenue (The Harrisburg University of Science and Technology Project)	6.00	9/1/36	5,000,000	3,467,850
Montgomery County Higher Education and Health Authority, First Mortgage Improvement Revenue (AHF/Montgomery, Inc. Project)	6.88	4/1/36	2,000,000	1,602,860
Pennsylvania Higher Educational Facilities Authority, Revenue (Edinboro University Foundation Student Housing Project at Edinboro University Pennsylvania)	6.00	7/1/42	2,500,000	1,799,975
Susquehanna Area Regional Airport Authority, Airport System				

Revenue	6.50	1/1/38	1,825,000	1,392,092
Rhode Island--.5%				
Central Falls Detention Facility Corporation, Detention Facility Revenue (The Donald W. Wyatt Detention Facility)	7.25	7/15/35	1,100,000	924,176
South Carolina--1.0%				
Richland County, EIR (International Paper Company Project)	6.10	4/1/23	2,500,000	1,789,775
Tennessee--1.3%				
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The Health, Educational and Housing Facility Board of the City of Chattanooga, Revenue (CDFI Phase 1, LLC Project)	5.00	10/1/25	600,000	424,356
The Health, Educational and Housing Facility Board of the City of Chattanooga, Revenue (CDFI Phase 1, LLC Project)	6.00	10/1/35	2,800,000	1,987,216
Texas--13.4%				
Austin Convention Enterprises, Inc., Convention Center Hotel Second Tier Revenue	5.75	1/1/34	6,000,000	4,049,400
Brazos River Authority, PCR (TXU Electric Company Project)	8.25	5/1/33	2,000,000	1,437,580
Brazos River Authority, PCR (TXU Energy Company LLC Project)	5.00	3/1/41	2,500,000	1,082,175
Brazos River Authority, Revenue (Reliant Energy, Inc. Project)	5.38	4/1/19	1,000,000	757,760
Brazos River Harbor Navigation District, Revenue (The Dow Chemical Company Project)	5.13	5/15/33	1,500,000	1,007,505
Dallas-Fort Worth International Airport Facility Improvement Corporation, Revenue (American Airlines, Inc.)	6.00	11/1/14	3,900,000	2,024,295
Dallas-Fort Worth International Airport Facility Improvement Corporation, Revenue (American Airlines, Inc.)	9.00	5/1/15	1,640,000	888,519
Gulf Coast Industrial Development Authority, Environmental Facilities Revenue (Microgy Holdings Project)	7.00	12/1/36	5,000,000	3,484,450
North Texas Tollway Authority, First Tier System Revenue (Insured; Assured Guaranty)	5.75	1/1/40	1,900,000	1,785,107

North Texas Tollway Authority, Second Tier System Revenue	6.13	1/1/31	4,000,000	3,663,480
Texas Public Finance Authority, Charter School Finance Corporation, Education Revenue (Burnham Wood Charter School Project)	6.25	9/1/36	2,250,000	1,660,050
Willacy County Local Government Corporation, Project Revenue	6.00	3/1/09	320,000	323,658
Willacy County Local Government Corporation, Project Revenue	6.88	9/1/28	4,000,000	3,217,880
Washington--2.4%				
Kitsap County Consolidated Housing Authority, Housing Revenue (Pooled Tax Credit Projects)	5.50	6/1/27	1,640,000	1,206,450
Kitsap County Consolidated Housing Authority, Housing Revenue (Pooled Tax Credit Projects)	5.60	6/1/37	1,500,000	1,027,095
Snohomish County Housing Authority, Revenue (Whispering Pines Apartments Project)	5.60	9/1/25	1,675,000	1,284,943
Snohomish County Housing Authority, Revenue (Whispering Pines Apartments Project)	5.75	9/1/30	1,250,000	913,938
West Virginia--.4%				
The County Commission of Pleasants County, PCR (Allegheny Energy Supply Company, LLC Pleasants Station Project)	5.25	10/15/37	1,000,000	709,290
Wisconsin--2.4%				
Badger Tobacco Asset Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	6.13	6/1/27	2,490,000	2,365,674
Badger Tobacco Asset Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	6.38	6/1/32	2,300,000	2,058,546
Wyoming--.3%				
Sweetwater County, SWDR (FMC Corporation Project)	5.60	12/1/35	1,000,000	616,750
Total Long-Term Municipal Investments (cost \$222,552,629)				169,723,272
Short-Term Municipal Investments--8.0%	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Colorado--3.8%				
Colorado Educational and Cultural Facilities Authority, Revenue (National Jewish Federation				

Bond Program) (LOC; JPMorgan Chase Bank)	0.85	12/1/08	2,500,000 e	2,500,000
Denver City and County, Airport System Revenue, Refunding (Insured; MBIA, Inc. and Liquidity Facility; Bank One)	8.00	12/7/08	4,700,000 e	4,700,000
New York--2.4%				
Monroe County GO Notes, RAN	6.50	4/15/09	3,000,000	3,022,770
New York State Dormitory Authority, Insured Revenue (NYSARC, Inc.) (Insured; AMBAC and Liquidity Facility; Key Bank)	8.00	12/7/08	1,500,000 e	1,500,000
North Carolina--1.2%				
Charlotte-Mecklenburg Hospital Authority, Health Care Revenue (Carolinas HealthCare System) (LOC; Wachovia Bank)	2.45	12/1/08	2,200,000 e	2,200,000
Oregon--.3%				
Medford Hospital Facilities				
Authority, Revenue, Refunding (Rogue Valley Manor Project) (LOC; JPMorgan Chase Bank)	0.90	12/1/08	600,000 e	600,000
Pennsylvania--.3%				
Montgomery County Industrial Development Authority, PCR, Refunding (Exelon Generating Company, LLC Project) (LOC; Wachovia Bank)	3.00	12/7/08	500,000 e	500,000
Total Short-Term Municipal Investments (cost \$15,000,000)				15,022,770
Total Investments (cost \$237,552,629)		98.4%		184,746,042
Cash and Receivables (Net)		1.6%		3,022,288
Net Assets		100.0%		187,768,330

- a Security issued with a zero coupon. Income is recognized through the accretion of discount.
- b Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At November 30, 2008, these securities amounted to \$3,026,830 or 1.6% of net assets.
- c This security is 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.
- d Non-income producing security; interest payments in default.
- e Variable rate demand note - rate shown is the interest rate in effect at November 30, 2008. Maturity date represents the next demand date, or the ultimate maturity date if earlier.

At November 30, 2008, the aggregate cost of investment securities for income tax purposes was \$237,552,629. Net unrealized depreciation on investments was \$52,806,587 of which \$225,375 related to appreciated investment securities and \$53,031,962 related to depreciated investment securities.

Securities valuation policies and other 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.

Summary of Abbreviations

ABAG	Association Of Bay Area Governments	ACA	American Capital Access
AGC	ACE Guaranty Corporation	AGIC	Asset Guaranty Insurance Company
AMBAC	American Municipal Bond Assurance Corporation	ARRN	Adjustable Rate Receipt Notes
BAN	Bond Anticipation Notes	BIGI	Bond Investors Guaranty Insurance
BPA	Bond Purchase Agreement	CGIC	Capital Guaranty Insurance Company
CIC	Continental Insurance Company	CIFG	CDC Ixis Financial Guaranty
CMAC	Capital Market Assurance Corporation	COP	Certificate of Participation
CP	Commercial Paper	EDR	Economic Development Revenue
EIR	Environmental Improvement Revenue	FGIC	Financial Guaranty Insurance Company
FHA	Federal Housing Administration	FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation	FNMA	Federal National Mortgage Association
FSA	Financial Security Assurance	GAN	Grant Anticipation Notes
<hr/>			
GIC	Guaranteed Investment Contract	GNMA	Government National Mortgage Association
GO	General Obligation	HR	Hospital Revenue
IDB	Industrial Development Board	IDC	Industrial Development Corporation
IDR	Industrial Development Revenue	LOC	Letter of Credit
LOR	Limited Obligation Revenue	LR	Lease Revenue
MFHR	Multi-Family Housing Revenue	MFMR	Multi-Family Mortgage Revenue
PCR	Pollution Control Revenue	PILOT	Payment in Lieu of Taxes
RAC	Revenue Anticipation Certificates	RAN	Revenue Anticipation Notes
RAW	Revenue Anticipation Warrants	RRR	Resources Recovery Revenue
SAAN	State Aid Anticipation Notes	SBPA	Standby Bond Purchase Agreement
SFHR	Single Family Housing Revenue	SFMR	Single Family Mortgage Revenue
SONYMA	State of New York Mortgage Agency	SWDR	Solid Waste Disposal Revenue
TAN	Tax Anticipation Notes	TAW	Tax Anticipation Warrants
TRAN	Tax and Revenue Anticipation Notes	XLCA	XL Capital Assurance

Various inputs are used in determining the value of the fund's investments relating to Financial Accounting Standard No. 157 (FAS 157), Fair Value Measurements.

These inputs are summarized in the three broad levels listed below.

Level 1 - quoted prices in active markets for identical securities.

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

Level 3 - significant unobservable inputs (including fund's own assumption 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.

The following is a summary of the inputs used as of November 30, 2008 in valuing the fund's assets carried at fair value:

Valuation Inputs	Investments in Securities (\$)	Other Financial Instruments* (\$)
Level 1 - Quoted Prices	0	0
Level 2 - Other Significant Observable Inputs	184,746,042	0
Level 3 - Significant Unobservable Inputs	0	0
Total	184,746,042	0

*Other financial instruments include derivative instruments, such as futures, forward currency exchange contracts and swap contracts, which are valued at the unrealized appreciation (depreciation) on the instrument.

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.

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

DREYFUS MUNICIPAL FUNDS, INC.

By: /s/ J. David Officer
 J. David Officer
 President

Date: January 26, 2009

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/ J. David Officer
J. David Officer
President

Date: January 26, 2009

By: /s/ James Windels
James Windels
Treasurer

Date: January 26, 2009

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)

SECTION 302 CERTIFICATION

I, J. David Officer, certify that:

1. I have reviewed this report on Form N-Q of Dreyfus Municipal Funds, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the schedule of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ J. David Officer
J. David Officer
President

Date: January 26, 2009

SECTION 302 CERTIFICATION

I, James Windels, certify that:

1. I have reviewed this report on Form N-Q of Dreyfus Municipal Funds, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the schedule of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ James Windels
James Windels
Treasurer

Date: January 26, 2009