

BLACKROCK MUNI ENHANCED FUND INC
Form N-Q
September 28, 2009
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 811-05739

Name of Fund: BlackRock MuniEnhanced Fund, Inc. (MEN)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock MuniEnhanced Fund, Inc., 40 East 52nd Street, New York, NY 10022.

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 04/30/2010

Date of reporting period: 07/31/2009

Item 1 – Schedule of Investments

BlackRock MuniEnhanced Fund, Inc.

Schedule of Investments July 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

| State | Municipal Bonds | Par (000) | Value |
|---------------------------|--|--------------|--------------|
| Alabama - 1.0% | County of Jefferson Alabama, RB, Series A, 5.50%, 1/01/22 | \$ 2,750 | \$ 1,623,380 |
| | County of Jefferson Alabama, RB, Series A, 4.75%, 1/01/25 | 2,200 | 1,232,572 |
| | | | 2,855,952 |
| Alaska - 0.5% | Borough of Matanuska-Susitna Alaska, RB, Goose Creek Correctional Center (AGC), 6.00%, 9/01/28 | 1,200 | 1,317,000 |
| Arizona - 0.5% | Salt Verde Financial Corp., RB, Senior, 5%, 12/01/37 | 2,000 | 1,521,640 |
| California - 23.0% | Alameda Corridor Transportation Authority, Refunding RB, CAB, Subordinate Lien, Series A (AMBAC), 5.62%, 10/01/24 (a) | 10,285 | 7,852,083 |
| | Alameda Corridor Transportation Authority, Refunding RB, CAB, Subordinate Lien, Series A (AMBAC), 5.57%, 10/01/25 (a) | 6,000 | 4,531,140 |
| | Anaheim Public Financing Authority, California, RB, Senior, Public Improvement Project, Series A (FSA), 6.00%, 9/01/24 | 5,000 | 5,525,700 |
| | Antelope Valley Community College District, GO, Election of 2004, Series B (MBIA), 5.25%, 8/01/39 | 600 | 591,966 |
| | Arcadia Unified School District, California, GO, CAB, Election of 2006, Series A (FSA), 4.96%, 8/01/39 (b) | 1,600 | 229,024 |
| | Cabrillo Community College District, California, GO, CAB, Election of 2004, Series B (MBIA), 5.19%, 8/01/37 (b) | 2,400 | 376,512 |
| | California State University, RB, Systemwide, Series A (MBIA), 5.00%, 11/01/35 | 2,600 | 2,440,880 |
| | Chino Valley Unified School District COP, GO, Election of 2002, Series C (MBIA), 5.25%, 8/01/30 | 850 | 852,167 |
| | City of Redding California, COP, Series A (FSA), 5.00%, 6/01/30 | 1,720 | 1,680,698 |
| | Fresno Unified School District, California, GO, Election of 2001, Series E (FSA), 5.00%, 8/01/30 | 900 | 886,203 |
| | Los Angeles Department of Water & Power, RB, Series C (MBIA), 5.00%, 7/01/29 | 5,160 | 5,162,012 |
| | Metropolitan Water District of Southern California, RB, Authority, Series B-1 (MBIA), 5.00%, 10/01/29 | 2,965 | 3,023,974 |
| | Metropolitan Water District of Southern California, RB, Authority, Series B-1 (MBIA), 5.00%, 10/01/36 | 1,655 | 1,657,962 |
| | Norco Redevelopment Agency, California, TAN, Refunding, Project Area No. 1 (MBIA), 5.13%, 3/01/30 | 5,000 | 4,250,650 |
| | Orange County Sanitation District, COP (MBIA), 5.00%, 2/01/33 | 7,455 | 7,195,268 |
| | Orange County Sanitation District, COP, Series B (FSA), 5.00%, 2/01/30 | 1,500 | 1,477,320 |
| | Orange County Sanitation District, COP, Series B (FSA), 5.00%, 2/01/31 | 900 | 880,281 |

Portfolio Abbreviations

The simplify the listings of portfolio holdings in the Schedule of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list.

| | |
|--------------|--|
| AGC | Assured Guaranty Corp. |
| AMBAC | American Municipal Bond Assurance Corp. |
| AMT | Alternative Minimum Tax (subject to) |
| CAB | Capital Appreciation Bonds |
| CIFG | CDC IXIS Financial Guaranty |
| COP | Certificates of Participation |
| EDA | Economic Development Authority |
| FGIC | Financial Guaranty Insurance Co. |
| FSA | Financial Security Assurance Inc. |
| GNMA | Government National Mortgage Association |
| GO | General Obligation Bonds |
| HDA | Housing Development Authority |
| HFA | Housing Finance Agency |
| ISD | Independent School District |
| MBIA | Municipal Bond Investors Assurance (National Public Finance Guaranty Corp.) |
| RB | Revenue Bonds |
| S/F | Single-Family |
| TAN | Tax Anticipation Notes |
| VRDN | Variable Rate Demand Notes |

BlackRock MuniEnhanced Fund, Inc.

Schedule of Investments July 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

| State | Municipal Bonds | Par (000) | Value |
|------------------------------------|--|--------------|--------------|
| | Poway Redevelopment Agency, California, TAN, Paguay Redevelopment Project (AMBAC), 5.13%, 6/15/33 | \$ 1,750 | \$ 1,404,393 |
| | Sacramento City Unified School District, California, GO, Election of 2002 (MBIA), 5.00%, 7/01/30 | 4,150 | 4,086,339 |
| | State of California, GO, 5.13%, 6/01/27 | 20 | 19,918 |
| | State of California, GO, 5.13%, 6/01/31 | 60 | 57,376 |
| | Stockton Public Financing Authority, California, RB, Parking & Capital Projects (MBIA), 5.13%, 9/01/30 | 6,145 | 5,721,487 |
| | Ventura County Community College District, GO, Election of 2002, Series B (MBIA), 5.00%, 8/01/30 | 2,325 | 2,289,358 |
| | West Basin Municipal Water District, California, COP, Refunding, Series B (AGC), 5.00%, 8/01/30 | 5,035 | 4,882,238 |
| | | | 67,074,949 |
| Colorado - 0.7% | Colorado Health Facilities Authority, RB, Insured, Covenant Retirement Community, Series A (Radian), 5.50%, 12/01/27 | 1,200 | 1,000,404 |
| | Colorado Health Facilities Authority, RB, Insured, Covenant Retirement Community, Series A (Radian), 5.50%, 12/01/33 | 675 | 529,301 |
| | Colorado Housing & Finance Authority, Colorado, RB, S/F Program, Senior, Series A-2, AMT, 7.50%, 4/01/31 | 420 | 452,395 |
| | | | 1,982,100 |
| District of Columbia - 2.7% | District of Columbia, RB, Series B-1 (MBIA), 5.00%, 2/01/31 | 9,600 | 7,792,224 |
| Florida - 9.5% | Broward County School Board, Florida, COP, Series A (FSA), 5.25%, 7/01/33 | 1,600 | 1,601,056 |
| | City of Miami Florida, RB, Miami Revenues (MBIA), 5%, 1/01/37 | 820 | 745,044 |
| | Collier County School Board, COP, (FSA), 5.00%, 2/15/23 | 3,000 | 3,032,430 |
| | County of Broward Florida, RB, Series A, 5.25%, 10/01/34 | 850 | 858,253 |
| | County of Duval Florida, COP, Master Lease Program (FSA), 5.00%, 7/01/33 | 2,300 | 2,219,040 |
| | County of Miami-Dade Florida, GO, Building Better Community Program, Series B-1, 5.75%, 7/01/33 | 1,400 | 1,444,240 |
| | County of Miami-Dade Florida, RB, Miami International Airport (Syncora), AMT, 5.00%, 10/01/40 | 9,900 | 8,228,682 |
| | County of Orange Florida, RB, Series B (MBIA), 5.13%, 1/01/32 | 4,200 | 4,152,918 |
| | Hillsborough County Aviation Authority, Florida, RB, Series A (AGC), AMT, 5.38%, 10/01/33 | 1,750 | 1,578,308 |

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| | | | |
|-------------------------|---|-------|------------|
| | Miami-Dade County School Board, Florida, COP, Series B (AGC), 5.25%, 5/01/31 | 1,800 | 1,801,098 |
| | South Florida Water Management District, COP (AGC), 5.00%, 10/01/22 | 2,000 | 2,084,560 |
| | | | 27,745,629 |
| Georgia - 5.4% | City of Atlanta Georgia, RB, Series A (MBIA), 5.00%, 11/01/33 | 1,000 | 886,960 |
| | City of Atlanta Georgia, RB, Series A (MBIA), 5.00%, 11/01/39 | 4,250 | 3,646,627 |
| | City of Augusta Georgia, RB (FSA), 5.25%, 10/01/39 | 2,300 | 2,324,679 |
| | Municipal Electric Authority of Georgia, RB, Series EE (AMBAC), 7.00%, 1/01/25 | 7,475 | 8,996,088 |
| | | | 15,854,354 |
| Illinois - 18.6% | Chicago Board of Education, Illinois, GO, Chicago School Reform Board, Series A (MBIA), 5.50%, 12/01/26 | 1,000 | 1,095,310 |
| | City of Chicago Illinois, RB, General, Airport 3rd Lien, Series B-2 (FSA), AMT, 5.75%, 1/01/23 | 5,670 | 5,735,659 |

BlackRock MuniEnhanced Fund, Inc.

Schedule of Investments July 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

| State | Municipal Bonds | Par (000) | Value |
|-----------------------------|---|--------------|-------------------|
| | City of Chicago Illinois, RB, General, Airport 3rd Lien, Series B-2 (Syncora), AMT, 6.00%, 1/01/29 | \$ 2,300 | \$ 2,313,110 |
| | City of Chicago Illinois, RB, Project, Series A (AGC), 5.00%, 1/01/38 | 2,000 | 1,955,400 |
| | City of Chicago Illinois, Refunding RB, General Airport Third Lien, Series A (MBIA), AMT, 5.75%, 1/01/21 | 9,000 | 9,015,570 |
| | County of Cook Illinois, GO, Capital Improvement, Series C (AMBAC), 5.50%, 11/15/12 (c) | 2,460 | 2,810,796 |
| | Illinois Sports Facilities Authority, RB, State Tax Supported (AMBAC), 5.55%, 6/15/30 (a) | 20,120 | 18,847,812 |
| | Regional Transportation Authority, RB, Series A (AMBAC), 7.20%, 11/01/20 | 10,115 | 12,576,789 |
| | | | <u>54,350,446</u> |
| Indiana - 0.1% | Indiana Municipal Power Agency, Indiana, RB, Indiana Muni Power Agency Series B, 5.75%, 1/01/34 | 400 | 404,712 |
| Iowa - 0.5% | Iowa Finance Authority, RB, Series A, Remarketed (AGC), 5.63%, 8/15/37 | 1,350 | 1,343,358 |
| Louisiana - 2.5% | Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Capital Projects & Equipment Acquisition, Series A (AMBAC), 6.30%, 7/01/30 | 1,025 | 990,540 |
| | Louisiana Public Facilities Authority, Refunding RB, Christus Health, Series B (AGC), 6.50%, 7/01/30 | 1,250 | 1,373,625 |
| | Louisiana State Transportation Authority, RB, CAB, Senior Lien, La 1 Project, Series B (AMBAC), 5.31%, 12/01/27 (b) | 1,235 | 435,263 |
| | Rapides Finance Authority, Louisiana, RB, Cleco Power LLC Project (AMBAC), AMT, 4.70%, 11/01/36 | 3,650 | 2,637,746 |
| | State of Louisiana, RB, Series A (FSA), 4.75%, 5/01/39 | 1,975 | 1,919,680 |
| | | | <u>7,356,854</u> |
| Maryland - 1.6% | Maryland Community Development Administration, RB, Residential, Series A, AMT, 5.75%, 9/01/39 | 4,645 | 4,752,810 |
| Massachusetts - 6.5% | Massachusetts HFA, Massachusetts, RB, Rental Mortgage, Series F (FSA), AMT, 5.25%, 1/01/46 | 5,400 | 4,943,916 |
| | Massachusetts HFA, Massachusetts, RB, S/F Housing, Series 128 (FSA), AMT, 4.80%, 12/01/27 | 1,600 | 1,490,800 |
| | Massachusetts Port Authority, RB, Delta Air Lines Inc. Project, Series A (AMBAC), AMT, 5.50%, 1/01/16 | 3,100 | 2,607,968 |
| | Massachusetts Port Authority, RB, Delta Air Lines Inc. Project, Series A (AMBAC), AMT, 5.50%, 1/01/18 | 4,000 | 3,045,200 |

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|------------------------|---|-------|------------|
| | Massachusetts Port Authority, RB, Delta Air Lines Inc. Project, Series A (AMBAC), AMT, 5.50%, 1/01/19 | 2,775 | 1,946,080 |
| | Massachusetts State Water Resource Authority, General Refunding RB, Series A, 5.00%, 8/01/34 | 2,700 | 2,715,930 |
| | Massachusetts Water Resources Authority, Refunding RB, General, Series B (FSA), 5.25%, 8/01/28 | 2,000 | 2,211,900 |
| | | | 18,961,794 |
| Michigan - 5.3% | City of Detroit Michigan, RB, Second Lien, Series B, Remarketed (FSA), 6.25%, 7/01/36 | 400 | 420,488 |
| | City of Detroit Michigan, RB, Second Lien, Series B, Remarketed (FSA), 7.00%, 7/01/36 | 200 | 222,360 |
| | City of Detroit Michigan, RB, Second Lien, Series E, Remarketed (FGIC), 5.75%, 7/01/31 | 2,500 | 2,582,575 |

BlackRock MuniEnhanced Fund, Inc.

Schedule of Investments July 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

| State | Municipal Bonds | Par (000) | Value |
|--------------------------|--|--------------|-------------------|
| | City of Detroit Michigan, RB, Senior Lien, Series B, Remarketed (FSA), 7.50%, 7/01/33 | \$ 700 | \$ 810,516 |
| | City of Detroit Michigan, RB, System, Second Lien, Series B (MBIA), 5.00%, 7/01/36 | 3,600 | 3,058,488 |
| | Michigan Higher Education Student Loan Authority, Michigan, RB, Student Loan, Series XVII, G (AMBAC), AMT, 5.20%, 9/01/20 | 1,500 | 1,424,730 |
| | Michigan Strategic Fund, Refunding RB, Detroit Edison Co. Project, Series A (Syncora), AMT, 5.50%, 6/01/30 | 1,300 | 1,131,273 |
| | Michigan Strategic Fund, Refunding RB, Detroit Edison Co. Project, Series C (Syncora), AMT, 5.45%, 12/15/32 | 4,300 | 3,651,431 |
| | Michigan Strategic Fund, Refunding RB, Detroit Edison Poll, Series C (Syncora), AMT, 5.65%, 9/01/29 | 2,400 | 2,140,824 |
| | | | <u>15,442,685</u> |
| Minnesota - 1.0% | City of Minneapolis Minnesota, RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38 | 2,500 | 2,723,325 |
| | Dakota County Community Development Agency, RB, Mortgage, Backed Securities Program, Series B (GNMA), AMT, 5.15%, 12/01/38 | 125 | 125,269 |
| | | | <u>2,848,594</u> |
| Nebraska - 0.6% | County of Washington Nebraska, RB, Cargill Inc. Project, AMT, 5.90%, 11/01/27 | 1,600 | 1,598,944 |
| Nevada - 3.6% | City of Carson City Nevada, RB, Carson, Tahoe Hospital Project, Series A (Radian), 5.50%, 9/01/33 | 3,100 | 2,439,266 |
| | City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/34 | 850 | 896,393 |
| | County of Clark Nevada, RB, Southwest Gas Corp. Project, Series A (FGIC), AMT, 4.75%, 9/01/36 | 75 | 55,131 |
| | County of Clark Nevada, RB, Southwest Gas Corp. Project, Series D (MBIA), AMT, 5.25%, 3/01/38 | 1,300 | 1,029,730 |
| | County of Clark Nevada, RB, Subordinate Lien, Series A-2 (MBIA), 5.00%, 7/01/30 | 1,500 | 1,445,295 |
| | County of Clark Nevada, RB, Subordinate Lien, Series A-2 (MBIA), 5.00%, 7/01/36 | 3,200 | 2,942,848 |
| | Las Vegas Valley Water District, GO, Refunding, Series A (MBIA), 5.00%, 6/01/24 | 1,600 | 1,620,064 |
| | | | <u>10,428,727</u> |
| New Jersey - 8.4% | New Jersey EDA, RB, Cigarette Tax (Radian), 5.50%, 6/15/31 | 600 | 478,422 |
| | | 305 | 245,784 |

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| | New Jersey EDA, RB, Cigarette Tax (Radian), 5.75%, 6/15/34 | | |
| | New Jersey EDA, RB, Motor Vehicle Sur Revenue, Series A (MBIA), 5.25%, 7/01/31 | 9,325 | 9,228,766 |
| | New Jersey EDA, RB, Motor Vehicle Sur Revenue, Series A (MBIA), 5.25%, 7/01/33 | 7,800 | 7,582,302 |
| | New Jersey EDA, Refunding RB, School Facilities Construction, Series N-1 (MBIA), 5.50%, 9/01/28 | 815 | 857,494 |
| | New Jersey EDA, RB, School Facilities Construction, Series O, 5.125%, 3/01/28 | 3,960 | 4,035,794 |
| | New Jersey EDA, RB, School Facilities Construction, Series Z (AGC), 6.00%, 12/15/34 | 2,000 | 2,179,780 |
| | | | 24,608,342 |
| New York - 4.7% | Erie County Industrial Development Agency, RB, City School District Buffalo Project, Series A (FSA), 5.75%, 5/01/28 | 1,500 | 1,566,525 |

BlackRock MuniEnhanced Fund, Inc.

Schedule of Investments July 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

| State | Municipal Bonds | Par (000) | Value |
|------------------------------|--|--------------|--------------|
| | Metropolitan Transportation Authority, RB, Series 2008C, 6.50%, 11/15/28 | \$ 4,000 | \$ 4,431,720 |
| | New York City Transitional Finance Authority, RB, Fiscal 2009, Series S-4, 5.50%, 1/15/34 | 2,750 | 2,817,128 |
| | New York State Dormitory Authority, RB, Education, Series B, 5.75%, 3/15/36 | 1,200 | 1,289,832 |
| | Tobacco Settlement Financing Corp., New York, RB, Asset Backed, Series A-4 (AMBAC), 5.25%, 6/01/22 | 2,300 | 2,356,626 |
| | Triborough Bridge & Tunnel Authority, New York, RB, Series A-2, 5.25%, 11/15/34 | 1,300 | 1,338,415 |
| | | | 13,800,246 |
| Oregon - 0.6% | Oregon State Housing & Community Services Department, Oregon, RB, S/F Mortgage Program, Series G, AMT, 5.50%, 1/01/38 | 1,820 | 1,847,609 |
| Pennsylvania - 0.6% | Pennsylvania HFA, RB, Series 99A, AMT, 5.25%, 10/01/32 | 1,500 | 1,437,840 |
| | Philadelphia School District, GO, Series E, 6.00%, 9/01/38 | 400 | 419,076 |
| | | | 1,856,916 |
| Puerto Rico - 1.1% | Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.38%, 8/01/39 | 3,200 | 3,318,496 |
| Rhode Island - 2.8% | Providence Public Building Authority, Rhode Island, RB, Series A (FSA), 6.25%, 12/15/10 (c) | 4,345 | 4,723,406 |
| | Rhode Island Economic Development Corporation, RB, Series B (FGIC), 6.50%, 7/01/10 (c) | 3,355 | 3,566,432 |
| | | | 8,289,838 |
| South Carolina - 2.1% | Berkeley County School District, RB, Securing Assets For Education, 5.13%, 12/01/30 | 3,800 | 3,782,634 |
| | County of Kershaw South Carolina, RB, Kershaw County School District Project (CIFG), 5.00%, 12/01/29 | 2,365 | 2,329,241 |
| | | | 6,111,875 |
| Tennessee - 2.9% | Knox County Health Educational & Housing Facilities Board, Tennessee, RB, Refunding & Improvement, Covenant Health, Series A, 5.04%, 1/01/38 (b) | 4,100 | 528,080 |
| | Metropolitan Government Nashville & Davidson County Health & Educational Facilities Board, RB, Vanderbilt | 5,000 | 5,472,400 |

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| | University, Series B, 5.50%, 10/01/29 | | |
| | Tennessee Energy Acquisition Corp., Tennessee, RB, Series A, 5.25%, 9/01/26 | 2,610 | 2,320,603 |
| | | | 8,321,083 |
| Texas - 14.2% | City of Houston Texas, Refunding RB, Combined, First Lien, Series A (AGC), 6.00%, 11/15/35 | 2,100 | 2,307,039 |
| | City of Houston Texas, Refunding RB, First Lien, Series A (AGC), 5.38%, 11/15/38 | 1,350 | 1,374,057 |
| | Dallas-Fort Worth International Airport Facilities Improvement Corp., RB, Joint, Series A (MBIA), AMT, 5.50%, 11/01/33 | 13,000 | 11,925,680 |
| | Lewisville ISD, Texas, GO, CAB, Refunding, School Building (MBIA), 4.67%, 8/15/24 (b) | 4,475 | 2,011,602 |
| | Mansfield ISD, Texas, GO, School Building, 5.00%, 2/15/33 | 1,725 | 1,750,927 |
| | Matagorda County Navigation District No. 1, Texas, Refunding RB, Central Power & Light (MBIA), AMT, 5.20%, 5/01/30 | 2,400 | 2,078,928 |
| | North Harris County Regional Water Authority, RB, Senior Lien (MBIA), 5.13%, 12/15/35 | 2,895 | 2,839,416 |
| | North Texas Tollway Authority, Refunding RB, System, 1st (MBIA), 5.75%, 1/01/40 | 1,600 | 1,593,072 |

BlackRock MuniEnhanced Fund, Inc.

Schedule of Investments July 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

| State | Municipal Bonds | Par (000) | Value |
|--------------------------|--|--------------|--------------|
| | North Texas Tollway Authority, Refunding RB, System, First Tier, K-2 (AGC), 6.00%, 1/01/38 | \$ 4,015 | \$ 4,276,176 |
| | North Texas Tollway Authority, Refunding RB, System, First Tier, Series A, 6.00%, 1/01/25 | 625 | 657,831 |
| | North Texas Tollway Authority, Refunding RB, System, First Tier, Series K-1 (AGC), 5.75%, 1/01/38 | 3,800 | 3,962,488 |
| | Texas State Turnpike Authority, RB, First Tier, Series A (AMBAC), 5.50%, 8/15/39 | 7,150 | 6,490,341 |
| | | | 42,267,557 |
| Utah - 1.7% | Utah Transit Authority, Utah, RB, Series A (FSA), 5.00%, 6/15/36 | 5,000 | 5,056,850 |
| Vermont - 0.9% | Vermont HFA, Vermont, RB, Series 27 (FSA), AMT, 4.85%, 11/01/32 | 3,000 | 2,711,730 |
| Washington - 0.2% | Port of Tacoma Washington, GO, Series B (AGC), AMT, 4.88%, 12/01/38 | 515 | 441,741 |
| Wisconsin - 0.6% | Wisconsin Health & Educational Facilities Authority, RB, Ascension Health Senior Credit (FSA), 5.00%, 11/15/31 | 1,675 | 1,663,744 |
| | Total Municipal Bonds - 124.40% | | 362,928,799 |
| | Municipal Bonds Transferred to Tender Option Bond Trusts (d) | | |
| Arizona - 0.4% | Phoenix Civic Improvement Corp., RB, Junior Lien, Series A, 5.00%, 7/01/34 | 1,200 | 1,205,544 |
| California - 3.1% | Anaheim Public Financing Authority, California, RB, Electric System Distribution Facilities, Series A (FSA), 5.00%, 10/01/31 | 959 | 948,027 |
| | Los Angeles Community College District, California, GO, Election 2001, Series A (FSA), 5.00%, 8/01/32 | 2,500 | 2,391,375 |
| | San Diego Community College District, California, GO, Election of 2002, 5.25%, 8/01/33 | 404 | 410,428 |
| | San Diego County Water Authority, COP, Series 2008 A (FSA), 5.00%, 5/01/33 | 2,810 | 2,752,395 |
| | Tamalpais Union High School District, California, GO, Election 2001 (FSA), 5.00%, 8/01/28 | 1,605 | 1,560,124 |
| | University of California, RB, Series O, 5.75%, 5/15/34 | 840 | 902,362 |
| | | | 8,964,711 |

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|------------------------------------|--|--------|------------|
| District of Columbia - 1.0% | District of Columbia, RB, Series A, 5.50%, 12/01/30 | 1,005 | 1,080,375 |
| | District of Columbia Water & Sewer Authority, Refunding RB, Series A, 6.00%, 10/01/35 | 1,770 | 1,915,270 |
| | | | 2,995,645 |
| Florida - 4.4% | Florida State Board of Education, GO, Series D, 5.00%, 6/01/37 | 1,349 | 1,345,281 |
| | Miami-Dade County School Board, Florida, COP Series B (AGC), 5.00%, 5/01/33 | 12,000 | 11,578,680 |
| | | | 12,923,961 |
| Georgia - 6.0% | City of Atlanta Georgia, RB, General, Series B (FSA), 5.25%, 1/01/33 | 17,356 | 17,474,853 |
| Illinois - 1.4% | Illinois State Toll Highway Authority, RB, Series B, 5.50%, 1/01/33 | 1,880 | 1,965,853 |
| | Metropolitan Pier & Exposition Authority, Illinois, Refunding RB, McCormick Place Expansion, Series B (MBIA), 5.75%, 6/15/23 | 1,999 | 2,108,127 |
| | | | 4,073,980 |
| Louisiana - 1.9% | State of Louisiana, RB, Series A (FSA), 5.00%, 5/01/36 | 5,400 | 5,433,372 |

BlackRock MuniEnhanced Fund, Inc.

Schedule of Investments July 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

| State | Municipal Bonds Transferred to Tender Option Bond Trusts (d) | Par (000) | Value |
|------------------------------|---|-----------|-------------------|
| Massachusetts - 3.7% | Massachusetts School Building Authority, RB, Series A (FSA), 5.00%, 8/15/30 | \$ 8,800 | \$ 8,932,616 |
| | Massachusetts School Building Authority, RB, Series A (FSA), 5.00%, 8/15/30 | 1,800 | 1,826,763 |
| | | | <u>10,759,379</u> |
| Nevada - 3.6% | City of Las Vegas, Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/39 | 3,778 | 3,955,982 |
| | Clark County Water Reclamation District, GO, Series B, 5.50%, 7/01/29 | 4,499 | 4,751,885 |
| | Clark County Water Reclamation District, GO, Series B, 5.75%, 7/01/34 | 1,829 | 1,931,160 |
| | | | <u>10,639,027</u> |
| New Hampshire - 2.6% | New Hampshire Health & Education Facilities Authority, RB, Dartmouth Hitchcock Obligation (FSA), 5.50%, 8/01/27 | 7,390 | 7,504,102 |
| New Jersey - 5.2% | New Jersey EDA, RB, Cigarette Tax (AGC), 5.50%, 6/15/24 | 15,250 | 15,289,040 |
| New York - 0.5% | New York City Municipal Water Finance Authority, RB, Fiscal 2009, Series A, 5.75%, 6/15/40 | 1,260 | 1,349,496 |
| South Carolina - 2.9% | Charleston Educational Excellence Finance Corp., RB, Charleston County School (AGC), 5.25%, 12/01/28 | 3,120 | 3,176,940 |
| | Charleston Educational Excellence Finance Corp., RB, Charleston County School (AGC), 5.25%, 12/01/29 | 2,765 | 2,801,940 |
| | Charleston Educational Excellence Finance Corp., RB, Charleston County School (AGC), 5.25%, 12/01/30 | 1,010 | 1,019,666 |
| | South Carolina State Public Service Authority, RB, Santee Cooper Series A, 5.50%, 1/01/38 | 1,275 | 1,340,943 |
| | | | <u>8,339,489</u> |
| Texas - 0.8% | Clear Creek ISD, Texas, GO, Refunding, School Building, 5.00%, 2/15/33 | 2,200 | 2,249,599 |
| Virginia - 0.9% | Fairfax County IDA, Virginia, RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35 | 350 | 355,818 |
| | Virginia HDA, RB, Series H, Sub-Series H1 (MBIA), 5.35%, 7/01/31 | 2,310 | 2,324,068 |
| | | | <u>2,324,068</u> |

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| | | | |
|---|--|-----------|-----------------------|
| | | | 2,679,886 |
| Washington - 1.4% | Central Puget Sound Regional Transportation Authority, Washington, RB, Series A (FSA), 5.00%, 11/01/32 | 4,004 | 4,030,787 |
| Total Municipal Bonds Transferred to Tender Option Bond Trusts - 39.8% | | | 115,912,871 |
| Total Long-Term Investments (Cost - 500,476,951) - 164.2% | | | 478,841,670 |
| Short-Term Securities | | | |
| Pennsylvania - 3.4% | City of Philadelphia Pennsylvania, VRDN, GO, Multi-Mode, Refunding, Series B (FSA), 2.50%, 8/07/09 (e) | 10,000 | 10,000,000 |
| | | | Shares |
| Money Market Fund - 1.4% | FFI Institutional Tax-Exempt Fund, 0.42% (f)(g) | 4,000,000 | 4,000,000 |
| Total Short-Term Securities (Cost - \$14,000,000) - 4.8% | | | 14,000,000 |
| Total Investments (Cost - \$514,476,951*) - 169.0% | | | 492,841,670 |
| Other Assets Less Liabilities - 1.3% | | | 3,626,594 |
| Liability for Trust Certificates, Including Interest Expense Payable - (21.3)% | | | (62,185,573) |
| Preferred Shares, at Redemption Value - (49.0)% | | | (142,605,616) |
| Net Assets Applicable to Common Shares - 100.0% | | | <u>\$ 291,677,075</u> |

BlackRock MuniEnhanced Fund, Inc.

Schedule of Investments July 31, 2009 (Unaudited)

* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2009, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|-----------------|
| Aggregate cost | \$ 444,140,488 |
| Gross unrealized appreciation | \$ 12,473,563 |
| Gross unrealized depreciation | (25,886,852) |
| Net unrealized depreciation | \$ (13,413,289) |

- (a) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown reflects the effective yield as of report date.
- (b) Represents a zero coupon bond. Rate shown reflects the current yield as of report date.
- (c) US government securities, held in escrow, are used to pay interest on this security as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (d) Securities represent underlying bonds transferred to a tender option bond trust in exchange for which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction.
- (e) Security may have a maturity of more than one year at the time of issuance, but has variable rate and demand features that qualify it as a short-term security. The rate shown is as of report date and maturity shown is the date the principal owed can be recovered through demand.
- (f) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate | Net Activity | Income |
|-----------------------------------|-----------------|---------|
| FFI Institutional Tax-Exempt Fund | \$697,507 | \$8,364 |

- (g) Represents the current yield as of report date.

BlackRock MuniEnhanced Fund, Inc.**Schedule of Investments July 31, 2009 (Unaudited)**

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

Level 1 - price quotations in active markets/exchanges for identical securities

Level 2 - other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 - unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used 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 information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Fund's most recent financial statements as contained in its annual report.

The following table summarizes the inputs used as of July 31, 2009 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Investments in Securities |
|--|------------------------------|
| | Assets |
| Level 1 - Short-Term Securities | \$ 4,000,000 |
| Level 2 - Long Term Investments ¹ | 478,841,670 |
| Short-Term Securities | 10,000,000 |
| Level 3 | |
| Total | \$ 492,841,670 |

¹ See above Schedule of Investments for values in each state or political classification.

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Item 2 – Controls and Procedures

2(a) – The registrant's principal executive and principal financial officers or persons performing similar functions have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13(a)-15(b) under the Securities Exchange Act of 1934, as amended.

2(b) – There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 – Exhibits

Certifications – Attached hereto

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.

BlackRock MuniEnhanced Fund, Inc.

By: /s/ Anne F. Ackerley
Anne F. Ackerley
Chief Executive Officer of
BlackRock MuniEnhanced Fund, Inc.

Date: September 22, 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/ Anne F. Ackerley
Anne F. Ackerley
Chief Executive Officer (principal executive officer) of
BlackRock MuniEnhanced Fund, Inc.

Date: September 22, 2009

By: /s/ Neal J. Andrews
Neal J. Andrews
Chief Financial Officer (principal financial officer) of
BlackRock MuniEnhanced Fund, Inc.

Date: September 22, 2009