

BLACKROCK MUNI ENHANCED FUND INC
Form N-Q
March 31, 2010
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., 55 East 52nd Street, New York, NY 10055.

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

Date of fiscal year end: 04/30/2010

Date of reporting period: 01/31/2010

Item 1 Schedule of Investments

Schedule of Investments January 31, 2010 (Unaudited)

BlackRock MuniEnhanced Fund, Inc. (MEN)
 (Percentages shown are based on Net Assets)

| Municipal Bonds | Par (000) | Value |
|--|--------------|------------------|
| Alabama 1.6% | | |
| Alabama Public School & College Authority, Refunding RB, Series A, 5.00%, 5/01/29 | \$ 900 | \$ 928,197 |
| County of Jefferson Alabama, RB, Series A, 5.50%, 1/01/22 | 2,750 | 2,337,940 |
| County of Jefferson Alabama, RB, Series A, 4.75%, 1/01/25 | 2,200 | 1,711,798 |
| | | <u>4,977,935</u> |
| Alaska 0.4% | | |
| Borough of Matanuska-Susitna Alaska, RB, Goose Creek Correctional Center (AGC), 6.00%, 9/01/28 | 1,200 | 1,376,148 |
| Arizona 1.5% | | |
| State of Arizona, COP, Department of Administration, Series A (AGM), 5.00%, 10/01/27 | 3,250 | 3,317,275 |
| State of Arizona, COP, Department of Administration, Series A (AGM), 5.25%, 10/01/28 | 1,000 | 1,033,640 |
| State of Arizona, COP, Department of Administration, Series A (AGM), 5.00%, 10/01/29 | 400 | 403,948 |
| | | <u>4,754,863</u> |
| California 23.6% | | |
| Alameda Corridor Transportation Authority, Refunding RB, CAB, Subordinate Lien, Series A (AMBAC), 5.64%, 10/01/24 (a) | 10,185 | 8,043,502 |
| Alameda Corridor Transportation Authority, Refunding RB, CAB, Subordinate Lien, Series A (AMBAC), 5.57%, 10/01/25 (a) | 6,000 | 4,697,580 |
| Anaheim Public Financing Authority California, RB, Senior, Public Improvements Project, Series A (AGM), 6.00%, 9/01/24 | 5,000 | 5,655,350 |
| | | |
| Municipal Bonds | Par (000) | Value |

California (continued)

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| | | |
|--|--------|------------|
| Antelope Valley Community College District, GO, Election 2004, Series B (NPFGC), 5.25%, 8/01/39 | \$ 600 | \$ 606,300 |
| Arcadia Unified School District California, GO, CAB, Election 2006, Series A (AGM), 4.96%, 8/01/39 (b) | 1,600 | 213,376 |
| Cabrillo Community College District California, GO, CAB, Election 2004, Series B (NPFGC), 5.18%, 8/01/37 (b) | 2,400 | 358,440 |
| California Health Facilities Financing Authority, Refunding RB, St. Joseph Health System, Series A, 5.75%, 7/01/39 | 550 | 566,500 |
| California State University, RB, Systemwide, Series A, 5.00%, 11/01/35 | 2,600 | 2,555,436 |
| Chino Valley Unified School District, GO, Election of 2002, Series C (NPFGC), 5.25%, 8/01/30 | 850 | 863,379 |
| City of Redding California, COP, Refunding, Series A (AGM), 5.00%, 6/01/30 | 1,720 | 1,736,237 |
| Fresno Unified School District California, GO, Election of 2001, Series E (AGM), 5.00%, 8/01/30 | 900 | 914,985 |
| Los Angeles Department of Water & Power, RB, Series C (NPFGC), 5.00%, 7/01/29 | 5,160 | 5,312,272 |
| Metropolitan Water District of Southern California, RB, Series B-1 (NPFGC), 5.00%, 10/01/29 | 2,965 | 3,054,958 |
| Metropolitan Water District of Southern California, RB, Series B-1 (NPFGC), 5.00%, 10/01/36 | 1,655 | 1,682,622 |
| Norco Redevelopment Agency California, Tax Allocation Bonds, Refunding, Project Area No. 1 (NPFGC), 5.13%, 3/01/30 | 5,000 | 4,709,700 |
| Orange County Sanitation District, COP (NPFGC), 5.00%, 2/01/33 | 7,455 | 7,606,113 |
| Orange County Sanitation District, COP, Series B (AGM), 5.00%, 2/01/30 | 1,500 | 1,570,320 |

Portfolio Abbreviations

To 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. |
| AGM | Assured Guaranty Municipal Corp. |
| AMBAC | American Municipal Bond Assurance Corp. |
| AMT | Alternative Minimum Tax (subject to) |
| ARB | Airport Revenue Bonds |
| BHAC | Berkshire Hathaway Assurance Corp. |
| CAB | Capital Appreciation Bonds |
| COP | Certificates of Participation |

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| | |
|---------|--|
| EDA | Economic Development Authority |
| EDC | Economic Development Corp. |
| ERB | Education Revenue Bonds |
| FGIC | Financial Guaranty Insurance Co. |
| GO | General Obligation Bonds |
| HFA | Housing Finance Agency |
| IDA | Industrial Development Authority |
| ISD | Independent School District |
| NPFGC | National Public Finance Guaranty Corp. |
| PSF-GTD | Permanent School Fund Guaranteed |
| RB | Revenue Bonds |
| S/F | Single-Family |

BLACKROCK MUNIENHANCED FUND, INC.

JANUARY 31, 2010

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Schedule of Investments (continued)

BlackRock MuniEnhanced Fund, Inc. (MEN)
(Percentages shown are based on Net Assets)

| Municipal Bonds | Par (000) | Value |
|---|--------------|------------|
| California (concluded) | | |
| Orange County Sanitation District, COP, Series B (AGM), 5.00%, 2/01/31 | \$ 900 | \$ 937,206 |
| Poway Redevelopment Agency California, Tax Allocation Bonds, Refunding, Paguay Redevelopment Project (AMBAC), 5.13%, 6/15/33 | 1,750 | 1,546,737 |
| Sacramento Unified School District California, GO, Election of 2002 (NPFGC), 5.00%, 7/01/30 | 4,150 | 4,167,430 |
| San Mateo County Community College District, GO, CAB, Election 2001, Series C (NPFGC), 6.12%, 9/01/30 (b) | 12,740 | 3,681,096 |
| State of California, GO, 5.13%, 6/01/27 | 20 | 19,716 |
| State of California, GO, 5.13%, 6/01/31 | 60 | 55,977 |
| Stockton Public Financing Authority California, RB, Parking & Capital Projects, 5.13%, 9/01/30 | 6,145 | 6,150,899 |
| Ventura County Community College District, GO, Election 2002, Series B (NPFGC), 5.00%, 8/01/30 | 2,325 | 2,375,452 |
| West Basin Municipal Water District California, COP, Refunding, Series B (AGC), 5.00%, 8/01/30 | 5,035 | 5,073,165 |
| | | 74,154,748 |
| Colorado 0.7% | | |
| Colorado Health Facilities Authority, RB, Covenant Retirement Communities, Series A (Radian), 5.50%, 12/01/27 | 1,200 | 1,100,304 |
| Colorado Health Facilities Authority, RB, Covenant Retirement Communities, Series A (Radian), 5.50%, 12/01/33 | 675 | 595,175 |
| Colorado Housing & Finance Authority, Refunding RB, S/F Program, Senior Series A-2, AMT, 7.50%, 4/01/31 | 415 | 444,133 |
| | | 2,139,612 |
| District of Columbia 2.8% | | |
| District of Columbia, RB, Series B-1 (NPFGC), 5.00%, 2/01/31 | 9,600 | 8,663,520 |
| Florida 11.3% | | |

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| | | |
|--|-------|-----------|
| Broward County School Board Florida, COP, Series A (AGM), 5.25%, 7/01/33 | 1,600 | 1,634,880 |
| City of Tallahassee Florida, RB (NPFGC), 5.00%, 10/01/32 | 4,000 | 4,058,280 |
| Collier County School Board, COP (AGM), 5.00%, 2/15/23 | 3,000 | 3,092,310 |
| County of Broward Florida, RB, Series A, 5.25%, 10/01/34 | 850 | 876,817 |
| County of Duval Florida, COP, Master Lease Program (AGM), 5.00%, 7/01/33 | 3,000 | 2,987,580 |

| Municipal Bonds | Par (000) | Value |
|-----------------|--------------|-------|
|-----------------|--------------|-------|

Florida (concluded)

| | | |
|--|----------|--------------|
| County of Miami-Dade Florida, GO, Building Better Communities Program, Series B-1, 5.75%, 7/01/33 | \$ 1,400 | \$ 1,502,214 |
| County of Miami-Dade Florida, Refunding RB, Miami International Airport, AMT (AGC), 5.00%, 10/01/40 | 9,900 | 9,379,854 |
| County of Orange Florida, Refunding RB, Series B (NPFGC), 5.13%, 1/01/32 | 4,200 | 4,225,284 |
| Hillsborough County Aviation Authority Florida, RB, Series A, AMT (AGC), 5.38%, 10/01/33 | 1,750 | 1,764,945 |
| Miami-Dade County School Board, COP, Refunding, Series B (AGC), 5.25%, 5/01/31 | 1,800 | 1,863,216 |
| Miami-Dade County School Board, COP, Refunding, Series B (AGC), 5.00%, 5/01/33 | 2,000 | 2,020,060 |
| Sarasota County Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39 | 275 | 279,510 |
| South Florida Water Management District, COP (AGC), 5.00%, 10/01/22 | 2,000 | 2,131,920 |
| | | 35,816,870 |

Georgia 4.0%

| | | |
|--|-------|------------|
| Augusta-Richmond County Georgia, RB (AGM), 5.25%, 10/01/39 | 2,300 | 2,377,694 |
| Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 | 825 | 827,970 |
| Municipal Electric Authority of Georgia, Refunding RB, Series EE (AMBAC), 7.00%, 1/01/25 | 7,475 | 9,312,953 |
| | | 12,518,617 |

Illinois 18.6%

| | | |
|--|-------|-----------|
| Chicago Board of Education Illinois, GO, Refunding, Chicago School Reform Board, Series A (NPFGC), 5.50%, 12/01/26 | 1,000 | 1,108,350 |
|--|-------|-----------|

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| | | |
|--|-------|-----------|
| City of Chicago Illinois, ARB, General, Third Lien, Series B-2, AMT (AGM), 5.75%, 1/01/23 | 5,670 | 5,847,981 |
| City of Chicago Illinois, ARB, General, Third Lien, Series B-2, AMT (Syncora), 6.00%, 1/01/29 | 2,300 | 2,373,462 |
| City of Chicago Illinois, GO, Refunding, Series A (AGM), 5.00%, 1/01/25 | 500 | 524,775 |
| City of Chicago Illinois, RB, Series A (AGC), 5.00%, 1/01/38 | 2,000 | 2,031,300 |
| City of Chicago Illinois, Refunding RB, General Airport, Third Lien, Series A, AMT (NPFGC), 5.75%, 1/01/21 | 9,000 | 9,226,260 |

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BLACKROCK MUNI ENHANCED FUND, INC.

JANUARY 31, 2010

Schedule of Investments (continued)

BlackRock MuniEnhanced Fund, Inc. (MEN)
(Percentages shown are based on Net Assets)

| Municipal Bonds | Par (000) | Value |
|--|--------------|-------------------|
| Illinois (concluded) | | |
| County of Cook Illinois, GO, Capital Improvement, Series C (AMBAC), 5.50%, 11/15/26 (c) | \$ 2,460 | \$ 2,773,724 |
| Illinois Municipal Electric Agency, RB, Series A (NPFGC), 5.25%, 2/01/35 | 1,000 | 1,012,850 |
| Illinois Sports Facilities Authority, RB, State Tax Supported (AMBAC), 5.57%, 6/15/30 (a) | 20,120 | 19,990,629 |
| Regional Transportation Authority, RB, Series A (AMBAC), 7.20%, 11/01/20 | 10,115 | 12,438,820 |
| State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34 | 1,275 | 1,313,964 |
| | | <u>58,642,115</u> |
| Indiana 0.1% | | |
| Indiana Municipal Power Agency, RB, Indiana Municipal Power Agency, Series B, 5.75%, 1/01/34 | 400 | 411,120 |
| Iowa 1.3% | | |
| Iowa Finance Authority, RB, Series A (AGC), 5.63%, 8/15/37 | 3,850 | 3,980,554 |
| Louisiana 1.8% | | |
| Louisiana Public Facilities Authority, Refunding RB, Christus Health, Series B (AGC), 6.50%, 7/01/30 | 1,250 | 1,395,963 |
| Louisiana State Transportation Authority, RB, CAB, Senior Lien, Louisiana 1 Project, Series B (AMBAC), 5.31%, 12/01/27 (b) | 1,235 | 485,083 |
| Rapides Finance Authority Louisiana, RB, Cleco Power LLC Project, AMT (AMBAC), 4.70%, 11/01/36 | 2,450 | 2,030,928 |
| State of Louisiana, RB, Series A (NPFGC), 5.00%, 5/01/35 | 1,740 | 1,747,847 |
| | | <u>5,659,821</u> |
| Maryland 0.4% | | |
| Maryland Community Development Administration, Refunding RB, Residential, Series A, AMT, 5.75%, 9/01/39 | 1,240 | 1,306,997 |

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Massachusetts 4.7%

| | | |
|---|-------|-----------|
| Massachusetts HFA, RB, Rental Mortgage, Series F, AMT (AGM), 5.25%, 1/01/46 | 5,300 | 5,133,421 |
| Massachusetts HFA, RB, S/F Housing, Series 128, AMT (AGM), 4.80%, 12/01/27 | 1,600 | 1,535,056 |

| Municipal Bonds | Par (000) | Value |
|-----------------|--------------|-------|
|-----------------|--------------|-------|

Massachusetts (concluded)

| | | |
|--|----------|--------------|
| Massachusetts HFA, Refunding RB, Rental Housing, Series A, AMT (AGM), 5.15%, 7/01/26 | \$ 3,000 | \$ 3,030,480 |
| Massachusetts Water Resources Authority, Refunding RB, General, Series A (NPFGC), 5.00%, 8/01/34 | 2,700 | 2,779,974 |
| Massachusetts Water Resources Authority, Refunding RB, General, Series B (AGM), 5.25%, 8/01/28 | 2,000 | 2,307,580 |
| | | 14,786,511 |

Michigan 5.0%

| | | |
|--|-------|------------|
| City of Detroit Michigan, RB, Second Lien, Series B (AGM), 6.25%, 7/01/36 | 400 | 433,124 |
| City of Detroit Michigan, RB, Second Lien, Series B (AGM), 7.00%, 7/01/36 | 200 | 228,460 |
| City of Detroit Michigan, RB, Senior Lien, Series B (AGM), 7.50%, 7/01/33 | 700 | 830,760 |
| City of Detroit Michigan, RB, System, Second Lien, Series B (NPFGC), 5.00%, 7/01/36 | 3,600 | 3,244,284 |
| City of Detroit Michigan, Refunding RB, Second Lien, Series E (BHAC), 5.75%, 7/01/31 | 2,500 | 2,666,400 |
| Michigan Higher Education Student Loan Authority, Refunding RB, Student Loan, Series XVII-G, AMT (AMBAC), 5.20%, 9/01/20 | 1,500 | 1,500,645 |
| Michigan Strategic Fund, RB, Detroit Edison Co. Project, Series C, AMT (Syncora), 5.45%, 12/15/32 | 4,300 | 4,048,149 |
| Michigan Strategic Fund, Refunding RB, Detroit Edison Co., Pollution, Series C, AMT (Syncora), 5.65%, 9/01/29 | 1,410 | 1,404,952 |
| Michigan Strategic Fund, Refunding RB, Detroit Edison Co., Project, Series A, AMT (Syncora), 5.50%, 6/01/30 | 1,300 | 1,241,721 |
| | | 15,598,495 |

Minnesota 0.9%

| | | |
|---|-------|-----------|
| City of Minneapolis, Minnesota, Refunding RB, Fairview Health | 2,500 | 2,777,125 |
|---|-------|-----------|

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Services, Series B (AGC), 6.50%,
11/15/38

Nevada 5.3%

City of Carson City Nevada, RB, Carson-
Tahoe Hospital Project, Series A

(Radian), 5.50%, 9/01/33

3,100

2,811,390

City of Las Vegas Nevada, GO, Limited
Tax, Performing Arts Center, 6.00%,
4/01/34

850

932,832

BLACKROCK MUNI ENHANCED FUND, INC.

JANUARY 31, 2010

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Schedule of Investments (continued)

BlackRock MuniEnhanced Fund, Inc. (MEN)
(Percentages shown are based on Net Assets)

| Municipal Bonds | Par (000) | Value |
|---|--------------|-------------------|
| Nevada (concluded) | | |
| County of Clark, Nevada, RB, Las Vegas-McCarran International Airport, Series A (AGC), 5.25%, 7/01/39 (d) | \$ 3,800 | \$ 3,782,900 |
| County of Clark Nevada, RB, Southwest Gas Corp. Project, Series A, AMT (FGIC), 4.75%, 9/01/36 | 75 | 62,357 |
| County of Clark Nevada, RB, Southwest Gas Corp. Project, Series D, AMT (NPFGC), 5.25%, 3/01/38 | 1,300 | 1,179,724 |
| County of Clark Nevada, RB, Subordinate Lien, Series A-2 (NPFGC), 5.00%, 7/01/30 | 1,500 | 1,517,130 |
| County of Clark Nevada, RB, Subordinate Lien, Series A-2 (NPFGC), 5.00%, 7/01/36 | 3,200 | 3,167,456 |
| County of Clark Nevada, RB, System, Subordinate Lien, Series C (AGM), 5.00%, 7/01/26 | 1,475 | 1,513,969 |
| Las Vegas Valley Water District, GO, Refunding, Series A (NPFGC), 5.00%, 6/01/24 | 1,600 | 1,653,600 |
| | | <u>16,621,358</u> |
| New Jersey 9.6% | | |
| New Jersey EDA, RB, Cigarette Tax (Radian), 5.50%, 6/15/31 | 600 | 558,624 |
| New Jersey EDA, RB, Cigarette Tax (Radian), 5.75%, 6/15/34 | 305 | 289,668 |
| New Jersey EDA, RB, Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/31 | 9,325 | 9,331,901 |
| New Jersey EDA, RB, Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/33 | 7,800 | 7,913,256 |
| New Jersey EDA, RB, School Facilities Construction, Series O, 5.13%, 3/01/28 | 3,000 | 3,116,880 |
| New Jersey EDA, RB, School Facilities Construction, Series Z (AGC), 6.00%, 12/15/34 | 2,000 | 2,238,420 |
| New Jersey EDA, Refunding RB, School Facilities Construction, Series N-1 (AGM), 5.50%, 9/01/25 | 5,000 | 5,781,450 |
| New Jersey EDA, Refunding RB, School Facilities Construction, Series N-1 (NPFGC), 5.50%, 9/01/28 | 815 | 913,582 |
| | | <u>30,143,781</u> |

New York 3.7%

| | | |
|--|-------|-----------|
| Erie County Industrial Development Agency, RB, City School District of Buffalo Project, Series A (AGM), 5.75%, 5/01/28 | 1,500 | 1,631,295 |
| Metropolitan Transportation Authority, RB, Series 2008C, 6.50%, 11/15/28 | 4,000 | 4,566,040 |

| Municipal Bonds | Par (000) | Value |
|-----------------|--------------|-------|
|-----------------|--------------|-------|

New York (concluded)

| | | |
|---|----------|--------------|
| New York City Transitional Finance Authority, RB, Fiscal 2009, Series S-4, 5.50%, 1/15/34 | \$ 2,750 | \$ 2,948,825 |
| New York State Dormitory Authority, ERB, Series B, 5.75%, 3/15/36 | 1,200 | 1,334,940 |
| Triborough Bridge & Tunnel Authority, RB, General, Series A-2, 5.25%, 11/15/34 | 1,300 | 1,377,831 |
| | | 11,858,931 |

Oregon 0.2%

| | | |
|--|-----|---------|
| Medford Hospitalal Facilities Authority, RB, Asante Health Sytem, Sereis A (AGC), 5.00%, 8/01/40 (d) | 575 | 560,067 |
|--|-----|---------|

Pennsylvania 1.2%

| | | |
|--|-------|-----------|
| Pennsylvania HFA, Refunding RB, Series 99A, AMT, 5.25%, 10/01/32 | 1,500 | 1,503,225 |
| Pennsylvania Turnpike Commission, RB, CAB, Sub-Series E, 6.48%, 12/01/38 (a) | 3,000 | 1,894,170 |
| Philadelphia School District, GO, Series E, 6.00%, 9/01/38 | 400 | 426,196 |
| | | 3,823,591 |

Puerto Rico 1.5%

| | | |
|--|-------|-----------|
| Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.38%, 8/01/39 | 3,200 | 3,405,120 |
| Puerto Rico Sales Tax Financing Corp., Refunding RB, CAB, Series A (NPFGC), 5.71%, 8/01/41 (b) | 8,500 | 1,263,440 |
| | | 4,668,560 |

Rhode Island 3.4%

| | | |
|--|-------|-----------|
| Providence Public Building Authority Rhode Island, RB, Series A (AGM), 6.25%, 12/15/10 (c) | 4,345 | 4,617,562 |
| Rhode Island EDC, RB, Series B (FGIC), 6.50%, 7/01/10 (c) | 3,355 | 3,475,478 |
| Rhode Island Health & Educational Building Corp., Refunding RB, Public | 2,375 | 2,593,927 |

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Schools Financing Program, Series E
(AGC), 6.00%, 5/15/29

10,686,967

South Carolina 1.1%

Berkeley County School District, RB,
Securing Assets For Education,
5.13%, 12/01/30

3,275

3,340,042

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BLACKROCK MUNIENHANCED FUND, INC.

JANUARY 31, 2010

Schedule of Investments (continued)

BlackRock MuniEnhanced Fund, Inc. (MEN)
(Percentages shown are based on Net Assets)

| Municipal Bonds | Par (000) | Value |
|--|--------------|------------------|
| Tennessee 1.8% | | |
| Knox County Health Educational & Housing Facilities Board Tennessee, Refunding RB, Covenant Health, Series A, 5.04%, 1/01/38 (b) | \$ 600 | \$ 100,188 |
| Metropolitan Government of Nashville & Davidson County Health & Educational Facilities Board, Refunding RB, Vanderbilt University, Series B, 5.50%, 10/01/29 | 5,000 | 5,634,850 |
| | | <u>5,735,038</u> |
| Texas 14.7% | | |
| City of Houston Texas, Refunding RB, Combined, First Lien, Series A (AGC), 6.00%, 11/15/35 | 2,100 | 2,371,005 |
| City of Houston Texas, Refunding RB, Combined, First Lien, Series A (AGC), 5.38%, 11/15/38 | 1,350 | 1,424,128 |
| Dallas-Fort Worth International Airport Facilities Improvement Corp., RB, Series A, AMT (NPFGC), 5.50%, 11/01/33 | 13,000 | 13,038,090 |
| Lewisville ISD Texas, GO, Refunding, CAB, School Building,(NPFGC), 4.67%, 8/15/24 (b) | 4,475 | 2,228,595 |
| Mansfield ISD Texas, GO, School Building (PSF-GTD), 5.00%, 2/15/33 | 1,725 | 1,811,578 |
| Matagorda County Navigation District No. 1 Texas, Refunding RB, Central Power & Light Co. Project, AMT (NPFGC), 5.20%, 5/01/30 | 2,400 | 2,253,960 |
| North Harris County Regional Water Authority, RB, Senior Lien (NPFGC), 5.13%, 12/15/35 | 2,895 | 2,935,327 |
| North Texas Tollway Authority, RB, System, First Tier, Series K-1 (AGC), 5.75%, 1/01/38 | 3,800 | 4,053,650 |
| North Texas Tollway Authority, RB, System, First Tier, Series K-2 (AGC), 6.00%, 1/01/38 | 4,015 | 4,379,442 |
| North Texas Tollway Authority, Refunding RB, First Tier, Series A, 6.00%, 1/01/28 | 2,795 | 2,971,337 |
| North Texas Tollway Authority, Refunding RB, System, First Tier (NPFGC), 5.75%, 1/01/40 | 1,600 | 1,632,528 |

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| | | |
|--|-------|------------|
| Texas State Turnpike Authority, RB, First Tier, Series A (AMBAC), 5.50%, 8/15/39 | 7,150 | 7,098,162 |
| | | 46,197,802 |

Utah 1.6%

| | | |
|--|-------|-----------|
| Utah Transit Authority, RB, Series A (AGM), 5.00%, 6/15/36 | 5,000 | 5,197,400 |
|--|-------|-----------|

| Municipal Bonds | Par (000) | Value |
|---|--------------|--------------|
| Vermont 0.9% | | |
| Vermont HFA, RB, Series 27, AMT (AGM), 4.85%, 11/01/32 | \$ 3,000 | \$ 2,856,780 |
| Wisconsin 1.0% | | |
| Wisconsin Health & Educational Facilities Authority, RB, Ascension Health Credit Group (AGM), 5.00%, 11/15/31 | 1,200 | 1,210,920 |
| Wisconsin Housing & EDA, Refunding RB, Series E, AMT, 5.50%, 9/01/38 | 2,000 | 2,053,680 |
| | | 3,264,600 |
| Total Municipal Bonds 124.7% | | 392,519,968 |

Municipal Bonds Transferred to Tender Option Bond Trusts (e)

| | | |
|---|-------|-----------|
| Arizona 0.4% | | |
| Phoenix Civic Improvement Corporation, RB, Junior Lien, Series A, 5.00%, 7/01/34 | 1,200 | 1,240,032 |
| California 3.0% | | |
| Anaheim Public Financing Authority California, RB, Electric System Distribution Facilities, Series A (AGM), 5.00%, 10/01/31 | 959 | 960,382 |
| Los Angeles Community College District, California, GO, Election 2001, Series A (AGM), 5.00%, 8/01/32 | 2,500 | 2,526,475 |
| San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33 | 404 | 412,934 |
| San Diego County Water Authority, COP, Refunding, Series 2008-A (AGM), 5.00%, 5/01/33 | 2,810 | 2,853,471 |
| Tamalpais Union High School District California, GO, Election 2001 (AGM), | 1,605 | 1,624,019 |

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| | | |
|---|-----|-----------|
| 5.00%, 8/01/28 | | |
| University of California, RB, Series O, | | |
| 5.75%, 5/15/34 | 840 | 934,492 |
| | | <hr/> |
| | | 9,311,773 |

Colorado 0.3%

| | | |
|---------------------------------------|-----|---------|
| Colorado Health Facilities Authority, | | |
| Refunding RB, Catholic Healthcare, | | |
| Series A, 5.50%, 7/01/34 | 900 | 948,424 |

District of Columbia 1.0%

| | | |
|-------------------------------------|-------|-----------|
| District of Columbia, RB, Series A, | | |
| 5.50%, 12/01/30 | 1,005 | 1,116,193 |

BLACKROCK MUNIENHANCED FUND, INC.

JANUARY 31, 2010

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Schedule of Investments (continued)

BlackRock MuniEnhanced Fund, Inc. (MEN)
(Percentages shown are based on Net Assets)

| Municipal Bonds Transferred to Tender Option Bond Trusts (e) | Par (000) | Value |
|---|--------------|-------------------|
| District of Columbia (concluded) | | |
| District of Columbia Water & Sewer Authority, RB, Series A, 6.00%, 10/01/35 | \$ 1,770 | \$ 1,976,565 |
| | | <u>3,092,758</u> |
| Florida 6.3% | | |
| City of Tallahassee, Florida, RB (NPFGC), 5.00%, 10/01/37 | 7,500 | 7,508,925 |
| Florida State Board of Education, GO, Series D, 5.00%, 6/01/37 | 1,349 | 1,382,609 |
| Miami-Dade County School Board, COP, Refunding, Series B (AGC), 5.00%, 5/01/33 | 10,000 | 10,100,300 |
| | | <u>18,991,834</u> |
| Georgia 5.6% | | |
| City of Atlanta Georgia, RB, General, Series B (AGM), 5.25%, 1/01/33 | 17,356 | 17,690,986 |
| Illinois 1.3% | | |
| Illinois State Toll Highway Authority, RB, Series B, 5.50%, 1/01/33 | 1,880 | 2,008,886 |
| Metropolitan Pier & Exposition Authority, Illinois, Refunding RB, McCormick Place Expansion, Series B (NPFGC), 5.75%, 6/15/23 | 1,999 | 2,162,647 |
| | | <u>4,171,533</u> |
| Louisiana 1.7% | | |
| State of Louisiana, RB, Series A (AGM), 5.00%, 5/01/36 | 5,400 | 5,504,112 |
| Massachusetts 3.5% | | |
| Massachusetts School Building Authority, RB, Series A (AGM), 5.00%, 8/15/30 | 10,600 | 11,116,493 |
| Nevada 3.5% | | |
| City of Las Vegas, Nevada, GO, Limited Tax Performing Arts Center, 6.00%, 4/01/39 | 3,778 | 4,096,144 |

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| | | |
|---|-------|-------------------|
| Clark County Water Reclamation District, GO, Series B, 5.50%, 7/01/29 | 4,499 | 4,909,520 |
| Clark County Water Reclamation District, GO, Series B, 5.75%, 7/01/34 | 1,829 | 2,007,800 |
| | | <u>11,013,464</u> |

| Municipal Bonds Transferred to Tender Option Bond Trusts (e) | Par (000) | Value |
|---|--------------|------------------|
| New Hampshire 2.4% | | |
| New Hampshire Health & Education Facilities Authority, RB, Dartmouth Hitchcock Obligation (AGM), 5.50%, 8/01/27 | \$ 7,390 | \$ 7,529,967 |
| New Jersey 0.6% | | |
| New Jersey EDA, RB, Cigarette Tax (AGC), 5.50%, 6/15/24 | 1,850 | 1,914,805 |
| New York 1.4% | | |
| New York City Municipal Water Finance Authority, RB, Fiscal 2009, Series A, 5.75%, 6/15/40 | 1,260 | 1,404,823 |
| New York State Thruway Authority, RB, Series G (AGM), 5.00%, 1/01/32 | 3,100 | 3,167,735 |
| | | <u>4,572,558</u> |
| Ohio 0.2% | | |
| State of Ohio, RB, Cleveland Clinic Health, Series B, 5.50%, 1/01/34 | 580 | 605,735 |
| South Carolina 2.6% | | |
| Charleston Educational Excellence Finance Corp., RB, Charleston County School (AGC), 5.25%, 12/01/28 | 3,120 | 3,233,911 |
| Charleston Educational Excellence Finance Corp., RB, Charleston County School (AGC), 5.25%, 12/01/29 | 2,765 | 2,850,217 |
| Charleston Educational Excellence Finance Corp., RB, Charleston County School (AGC), 5.25%, 12/01/30 | 1,010 | 1,036,452 |
| South Carolina State Public Service Authority, RB, Santee Cooper, Series A, 5.50%, 1/01/38 | 1,275 | 1,371,683 |
| | | <u>8,492,263</u> |
| Texas 0.7% | | |
| Clear Creek ISD, Texas, GO, Refunding, School Building (PSF-GTD), 5.00%, 2/15/33 | 2,200 | 2,365,627 |

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Virginia 0.9%

| | | |
|---|-------|-----------|
| Fairfax County IDA Virginia, Refunding RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35 | 350 | 363,927 |
| Virginia Housing Development Authority, RB, Series H, Sub-Series H-1 (NPFGC), 5.35%, 7/01/31 | 2,310 | 2,331,598 |
| | | <hr/> |
| | | 2,695,525 |

Schedule of Investments (concluded)

BlackRock MuniEnhanced Fund, Inc. (MEN)
(Percentages shown are based on Net Assets)

| Municipal Bonds Transferred to Tender Option Bond Trusts (e) | Par (000) | Value |
|---|--------------|----------------|
| Washington 1.3% | | |
| Central Puget Sound Regional Transportation Authority, Washington, RB, Series A (AGM), 5.00%, 11/01/32 | \$ 4,004 | \$ 4,171,082 |
| Wisconsin 0.5% | | |
| Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health Inc., 5.25%, 4/01/39 | 1,430 | 1,429,557 |
| Total Municipal Bonds Transferred to Tender Option Bond Trusts 37.2% | | 116,858,528 |
| Total Long-Term Investments (Cost \$498,968,125) 161.9% | | 509,378,496 |
| Short-Term Securities | | |
| Shares | | |
| FFI Institutional Tax-Exempt Fund, 0.16% (f)(g) | 8,110,204 | 8,110,204 |
| Total Short-Term Securities (Cost \$8,110,204) 2.6% | | 8,110,204 |
| Total Investments (Cost \$507,078,329*) 164.5% | | 517,488,700 |
| Other Assets Less Liabilities 0.2% | | 868,283 |
| Liability for Trust Certificates, Including Interest Expense and Fees Payable (19.4)% | | (61,212,556) |
| Preferred Shares, at Redemption Value (45.3)% | | (142,601,613) |
| Net Assets Applicable to Common Shares 100.0% | | \$ 314,542,814 |

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The cost and unrealized appreciation (depreciation) of investments as of January 31, 2010, as computed for federal income tax purposes, were as follows:

| | | |
|-------------------------------|----|--------------|
| Aggregate cost | \$ | 454,888,045 |
| Gross unrealized appreciation | \$ | 18,895,112 |
| Gross unrealized depreciation | | (17,463,360) |
| Net unrealized appreciation | \$ | 1,431,752 |

- (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 current 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) When-issued security. Unsettled when-issued security transactions were as follows:

| Counterparty | Market Value | Unrealized Depreciation |
|-----------------|--------------|-------------------------|
| Citigroup, Inc. | \$ 3,782,900 | \$ (17,100) |
| Merrill Lynch | \$ 560,067 | \$ |

- (e) Securities represent bonds transferred to a tender option bond trust in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction.
- (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 | \$4,807,711 | \$17,415 |

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

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 assets and liabilities

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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 methodologies 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 the semi-annual report.

The following table summarizes the inputs used as of January 31, 2010 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Investments in Securities |
|--|---------------------------|
| | Assets |
| Level 1 - Short-Term Securities | \$ 8,110,204 |
| Level 2 - Long-Term Investments ¹ | 509,378,496 |
| Level 3 | |
| Total | \$ 517,488,700 |

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

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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: March 19, 2010

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: March 19, 2010

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

Date: March 19, 2010