

BLACKROCK MUNI ENHANCED FUND INC
Form N-Q
September 28, 2011
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: John M. Perlowski, 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: 04/30/2012

Date of reporting period: 07/31/2011

Item 1 – Schedule of Investments

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Schedule of Investments July 31, 2011 (Unaudited)

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

| | Par (000) | Value |
|---|--------------|--------------|
| Municipal Bonds | | |
| Alabama 1.4% | | |
| County of Jefferson Alabama, RB, Series A: | | |
| 5.50%, 1/01/22 | \$ 2,750 | \$ 2,490,757 |
| 4.75%, 1/01/25 | 2,200 | 1,838,760 |
| | | 4,329,517 |
| Alaska 0.6% | | |
| Alaska Housing Finance Corp., RB, General Housing, Series B (NPFGC), 5.25%, 12/01/30 | | |
| | 400 | 406,076 |
| Borough of Matanuska-Susitna Alaska, RB, Goose Creek Correctional Center (AGC), 6.00%, 9/01/28 | | |
| | 1,200 | 1,359,984 |
| | | 1,766,060 |
| Arizona 2.0% | | |
| Salt River Project Agricultural Improvement & Power District, RB, Series A, 5.00%, 1/01/38 | | |
| | 1,500 | 1,533,825 |
| State of Arizona, COP, Department of Administration, Series A (AGM): | | |
| 5.00%, 10/01/27 | 3,250 | 3,359,882 |
| 5.25%, 10/01/28 | 1,000 | 1,046,570 |
| 5.00%, 10/01/29 | 400 | 409,676 |
| | | 6,349,953 |
| California 24.2% | | |
| Alameda Corridor Transportation Authority, Refunding RB, CAB, Subordinate Lien, Series A (AMBAC) (a): | | |
| 5.65%, 10/01/24 | 10,185 | 8,453,448 |
| 5.57%, 10/01/25 | 6,000 | 4,908,000 |
| Anaheim Public Financing Authority California, RB, Senior, Public Improvements Project, Series A (AGM), 6.00%, 9/01/24 | | |
| | 5,000 | 5,702,650 |
| Cabrillo Community College District California, GO, CAB, Election of 2004, Series B (NPFGC), 5.18%, 8/01/37 (b) | | |
| | 2,400 | 405,672 |
| Municipal Bonds | | |
| California (continued) | | |
| California Health Facilities Financing Authority, Refunding RB: St. Joseph Health System, Series A, 5.75%, 7/01/39 | | |
| | \$ 550 | \$ 556,243 |
| Sutter Health, Series B, 5.88%, 8/15/31 | | |
| | 1,200 | 1,281,912 |
| California State University, RB, Systemwide, Series A (NPFGC), 5.00%, 11/01/35 | | |
| | 1,405 | 1,377,799 |
| California State University, Refunding RB, Systemwide, Series A (AGM), 5.00%, 11/01/37 | | |
| | 2,000 | 1,979,640 |

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| | | |
|---|-------|-----------|
| Chino Valley Unified School District, GO, Election of 2002, Series C (NPFGC), 5.25%, 8/01/30 | 850 | 875,950 |
| City of Redding California, COP, Refunding, Series A (AGM), 5.00%, 6/01/30 | 1,420 | 1,448,741 |
| City of San Jose California, RB, Series A-1, AMT, 5.75%, 3/01/34 | 850 | 842,520 |
| Fresno Unified School District California, GO, Election of 2001, Series E (AGM), 5.00%, 8/01/30 | 900 | 906,327 |
| Los Angeles Community College District California, GO, Election of 2001, Series A (AGM), 5.00%, 8/01/32 | 1,300 | 1,332,500 |
| Los Angeles Department of Water & Power, RB, Series C (NPFGC), 5.00%, 7/01/29 | 5,160 | 5,272,230 |
| Metropolitan Water District of Southern California, RB, Series B-1 (NPFGC): 5.00%, 10/01/29 | 2,965 | 3,027,176 |
| 5.00%, 10/01/36 | 1,655 | 1,668,770 |
| Norco Redevelopment Agency California, Tax Allocation Bonds, Refunding, Project Area No. 1 (NPFGC), 5.13%, 3/01/30 | 4,900 | 4,453,904 |
| Orange County Sanitation District, COP, Series B (AGM): 5.00%, 2/01/30 | 1,500 | 1,557,690 |
| 5.00%, 2/01/31 | 900 | 930,591 |

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

Schedule of Investments (continued)

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

| | Par (000) | Value |
|---|--------------|--------------|
| Municipal Bonds | | |
| California (concluded) | | |
| Poway Redevelopment Agency California, Tax Allocation Bonds, Refunding, Paguay Redevelopment Project (AMBAC), 5.13%, 6/15/33 | \$ 1,750 | \$ 1,485,452 |
| Sacramento Unified School District California, GO, Election of 2002 (NPFGC), 5.00%, 7/01/30 | 4,150 | 4,214,740 |
| San Diego Unified School District California, GO, CAB, Election of 2008, Series C, 6.85%, 7/01/38 (b) | 1,600 | 287,392 |
| San Joaquin County Transportation Authority, RB, Limited Tax, Measure K, Series A, 6.00%, 3/01/36 | 2,175 | 2,382,343 |
| San Marcos Unified School District, GO, Election of 2010, Series A: 5.00%, 8/01/34 | 700 | 704,382 |
| 5.00%, 8/01/38 | 600 | 596,478 |
| San Mateo County Community College District, GO, CAB, Election of 2001, Series C (NPFGC), 5.54%, 9/01/30 (b) | 12,740 | 4,235,540 |
| State of California, GO: 5.13%, 6/01/27 | 20 | 20,011 |
| 5.13%, 6/01/31 | 60 | 60,005 |
| Stockton Public Financing Authority California, RB, Parking & Capital Projects (NPFGC), 5.13%, 9/01/30 | 6,145 | 6,176,893 |
| Turlock Irrigation District, Refunding RB, 5.50%, 1/01/41 (c) | 850 | 875,789 |
| Ventura County Community College District, GO, Election of 2002, Series B (NPFGC), 5.00%, 8/01/30 | 2,325 | 2,391,193 |
| Walnut Valley Unified School District, GO, CAB, Election of 2007, Series B, 6.89%, 8/01/36 (b) | 5,500 | 1,025,695 |
| West Basin Municipal Water District California, COP, Refunding, Series B (AGC), 5.00%, 8/01/30 | 5,035 | 5,142,346 |
| | | 76,580,022 |
| Colorado 1.3% | | |
| Colorado Health Facilities Authority, RB, Covenant Retirement Communities, Series A (Radian): 5.50%, 12/01/27 | 1,200 | 1,130,808 |
| 5.50%, 12/01/33 | 675 | 612,164 |
| Colorado Housing & Finance Authority, Refunding RB, S/F Program, Senior Series A-2, AMT, 7.50%, 4/01/31 | 315 | 325,058 |
| Regional Transportation District, COP, Series A, 5.38%, 6/01/31 | 2,000 | 2,080,440 |

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| | | | |
|--|----------|------------------|--------------|
| | | | 4,148,470 |
| District of Columbia 1.6% | | | |
| District of Columbia, RB, Series B-1 (NPFGC), 5.00%, 2/01/31 | 5,530 | | 5,208,043 |
| Florida 13.4% | | | |
| Broward County School Board Florida, COP, Series A (AGM), 5.25%, 7/01/33 | 1,600 | | 1,628,720 |
| | | Par (000) | Value |
| Municipal Bonds | | | |
| Florida (concluded) | | | |
| Collier County School Board, COP (AGM), 5.00%, 2/15/23 | \$ 3,000 | \$ | 3,184,920 |
| County of Broward Florida, RB, Series A, 5.25%, 10/01/34 | 850 | | 892,908 |
| County of Duval Florida, COP, Master Lease Program (AGM), 5.00%, 7/01/33 | 3,000 | | 3,010,560 |
| County of Miami-Dade Florida, GO, Building Better Communities Program, Series B-1, 5.75%, 7/01/33 | 1,400 | | 1,492,764 |
| County of Miami-Dade Florida, RB, Water & Sewer System (AGM), 5.00%, 10/01/39 | 4,950 | | 5,004,103 |
| County of Miami-Dade Florida, Refunding RB, Miami International Airport, AMT (AGC), 5.00%, 10/01/40 | 9,900 | | 8,919,405 |
| Florida Ports Financing Commission, Refunding RB, State Transportation Trust Fund, Series B, AMT: 5.13%, 6/01/27 | 2,000 | | 2,012,920 |
| 5.38%, 10/01/29 | 1,050 | | 1,065,120 |
| Highlands County Health Facilities Authority, RB, Adventist Health System/Sunbelt, Series B, 6.00%, 11/15/37 | 1,450 | | 1,536,232 |
| Hillsborough County Aviation Authority Florida, RB, Series A, AMT (AGC), 5.38%, 10/01/33 | 4,050 | | 4,072,396 |
| Miami-Dade County School Board, COP, Refunding, Series B (AGC), 5.00%, 5/01/33 | 1,650 | | 1,664,933 |
| Orange County School Board, COP, Series A: (AGC), 5.50%, 8/01/34 | 3,550 | | 3,668,286 |
| (NPFGC), 5.00%, 8/01/31 | 2,000 | | 2,005,260 |
| Sarasota County Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39 | 275 | | 277,874 |
| South Florida Water Management District, COP (AGC), 5.00%, 10/01/22 | 2,000 | | 2,110,680 |
| | | | 42,547,081 |
| Georgia 3.3% | | | |
| Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 | 825 | | 833,927 |
| Municipal Electric Authority of Georgia, Refunding RB, Series EE (AMBAC), 7.00%, 1/01/25 | 7,475 | | 9,455,127 |
| | | | 10,289,054 |
| Illinois 22.9% | | | |

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| | | |
|--|-------|-----------|
| Chicago Board of Education Illinois, GO, Refunding, Series A: (AGM), 5.50%, 12/01/31 | 3,000 | 3,371,040 |
| Chicago School Reform Board, (NPFGC), 5.50%, 12/01/26 | 1,000 | 1,040,550 |

BLACKROCK MUNIENHANCED FUND, INC.

JULY 31, 2011

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Schedule of Investments (continued)

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

| | Par (000) | Value |
|--|--------------|------------|
| Municipal Bonds | | |
| Illinois (concluded) | | |
| Chicago Park District, GO, Harbor Facilities, Series C, 5.25%, 1/01/40 | \$ 550 | \$ 562,700 |
| City of Chicago Illinois, ARB, General, Third Lien, Series B-2, AMT: (AGM), 5.75%, 1/01/23 | 5,670 | 5,845,146 |
| (Syncora), 6.00%, 1/01/29 | 2,500 | 2,552,250 |
| City of Chicago Illinois, RB, Series A: (AGC), 5.00%, 1/01/38 | 2,000 | 1,997,000 |
| General Third Lien, 5.75%, 1/01/39 | 5,110 | 5,332,489 |
| City of Chicago Illinois, Refunding RB, General Airport, Third Lien, Series A, AMT (NPFGC), 5.75%, 1/01/21 | 4,500 | 4,562,055 |
| County of Cook Illinois, GO, Capital Improvement, Series C (AMBAC), 5.50%, 11/15/12 (d) | 2,460 | 2,624,451 |
| County of Cook Illinois, GO, Refunding, Series A, 5.25%, 11/15/33 | 1,350 | 1,402,204 |
| Illinois Finance Authority, RB, Carle Foundation, Series A, 5.75%, 8/15/34 | 650 | 640,192 |
| Illinois Finance Authority, Refunding RB, Carle Foundation, Series A, 6.00%, 8/15/41 | 1,000 | 1,008,970 |
| Illinois Municipal Electric Agency, RB, Series A (NPFGC), 5.25%, 2/01/35 | 1,000 | 1,011,900 |
| Illinois Sports Facilities Authority, RB, State Tax Supported (AMBAC), 5.50%, 6/15/30 | 20,120 | 20,445,139 |
| Metropolitan Pier & Exposition Authority, RB, CAB, McCormick Place Expansion Project, Series A (NPFGC), 5.96%, 12/15/33 (b) | 9,950 | 2,597,845 |
| Metropolitan Pier & Exposition Authority, Refunding RB, CAB, McCormick Place Expansion Project, Series B (AGM) (b): 5.83%, 6/15/27 | 1,300 | 540,033 |
| 6.25%, 6/15/44 | 3,450 | 432,044 |
| Railsplitter Tobacco Settlement Authority, RB, 6.00%, 6/01/28 | 675 | 695,149 |
| Regional Transportation Authority, RB, Series A (AMBAC), 7.20%, 11/01/20 | 9,480 | 11,390,884 |
| State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34 | 4,400 | 4,464,900 |
| | | 72,516,941 |
| Indiana 0.9% | | |
| Indiana Municipal Power Agency, RB, Series B, 5.75%, 1/01/34 | 400 | 408,208 |
| Indianapolis Local Public Improvement Bond Bank, Refunding RB, | | |

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Waterworks Project, Series A (AGC):

| | | |
|----------------|-------|-----------|
| 5.25%, 1/01/29 | 600 | 635,088 |
| 5.50%, 1/01/38 | 1,825 | 1,908,549 |
| | | 2,951,845 |

| | Par (000) | Value |
|---|--------------|--------------|
| Municipal Bonds | | |
| Iowa 1.9% | | |
| Iowa Finance Authority, RB, Series A (AGC), 5.63%, 8/15/37 | \$ 5,725 | \$ 5,921,138 |
| Louisiana 0.4% | | |
| Louisiana Public Facilities Authority, Refunding RB, Christus Health, Series B (AGC), 6.50%, 7/01/30 | 1,250 | 1,387,075 |
| Massachusetts 2.0% | | |
| Massachusetts HFA, RB, AMT (AGM), Rental Mortgage, Series F, 5.25%, 1/01/46 | 1,700 | 1,678,580 |
| Massachusetts HFA, Refunding RB, AMT: Rental Housing, Series A (AGM), 5.15%, 7/01/26 | 625 | 629,519 |
| Series C, 5.35%, 12/01/42 | 1,150 | 1,119,249 |
| Massachusetts Water Resources Authority, Refunding RB, General, Series A (NPFGC), 5.00%, 8/01/34 | 2,700 | 2,786,103 |
| | | 6,213,451 |
| Michigan 6.1% | | |
| City of Detroit Michigan, RB, Series B: Second Lien (AGM), 6.25%, 7/01/36 | 400 | 435,632 |
| Second Lien (AGM), 7.00%, 7/01/36 | 200 | 229,554 |
| Senior Lien (AGM), 7.50%, 7/01/33 System, Second Lien (NPFGC), 5.00%, 7/01/36 | 700 | 825,321 |
| | 3,600 | 3,311,496 |
| City of Detroit Michigan, Refunding RB, Second Lien, Series E (BHAC), 5.75%, 7/01/31 | 2,500 | 2,627,850 |
| Kalamazoo Hospital Finance Authority, RB, Bronson Methodist Hospital (AGM), 5.25%, 5/15/36 | 425 | 427,044 |
| Lansing Board of Water & Light Utilities, RB, Series A, 5.50%, 7/01/41 | 1,700 | 1,801,252 |
| Michigan Higher Education Student Loan Authority, Refunding RB, Student Loan, Series XVII-G, AMT (AMBAC), 5.20%, 9/01/20 | 1,500 | 1,508,595 |
| Michigan State Building Authority, Refunding RB, Facilities Program: Series I-A, 5.38%, 10/15/36 | 145 | 146,065 |
| Series I-A, 5.38%, 10/15/41 | 700 | 705,138 |
| Series II-A (AGM), 5.25%, 10/15/36 | 900 | 907,713 |
| Michigan State HDA, RB, Series C, AMT, 5.50%, 12/01/28 | 1,100 | 1,104,499 |
| Michigan Strategic Fund, Refunding RB, Detroit Edison Co. Project, AMT (Syncora): Series A, 5.50%, 6/01/30 | 1,300 | 1,278,940 |
| Series C, 5.45%, 12/15/32 | 4,300 | 4,147,221 |
| | | 19,456,320 |

Schedule of Investments (continued)

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

| | Par (000) | Value |
|---|--------------|--------------|
| Municipal Bonds | | |
| Minnesota 0.9% | | |
| City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38 | \$ 2,500 | \$ 2,723,450 |
| Nevada 4.7% | | |
| City of Carson City Nevada, RB, Carson- Tahoe Hospital Project, Series A (Radian), 5.50%, 9/01/33 | 3,100 | 2,830,238 |
| City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/34 | 850 | 922,700 |
| County of Clark Nevada, RB: Las Vegas-McCarran International Airport, Series A (AGC), 5.25%, 7/01/39 | 3,800 | 3,820,368 |
| Southwest Gas Corp. Project, Series A, AMT (FGIC), 4.75%, 9/01/36 | 75 | 65,188 |
| Southwest Gas Corp. Project, Series D, AMT (NPFGC), 5.25%, 3/01/38 | 1,200 | 1,117,464 |
| Subordinate Lien, Series A-2 (NPFGC), 5.00%, 7/01/30 | 1,500 | 1,507,215 |
| Subordinate Lien, Series A-2 (NPFGC), 5.00%, 7/01/36 | 3,200 | 3,132,896 |
| System, Subordinate Lien, Series C (AGM), 5.00%, 7/01/26 | 1,475 | 1,533,602 |
| | | 14,929,671 |
| New Jersey 10.3% | | |
| New Jersey EDA, RB: Cigarette Tax (Radian), 5.50%, 6/15/31 | 600 | 564,732 |
| Cigarette Tax (Radian), 5.75%, 6/15/34 | 305 | 291,181 |
| Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/31 | 7,025 | 7,196,480 |
| Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/33 | 7,800 | 7,930,494 |
| School Facilities Construction, Series O, 5.13%, 3/01/28 | 2,250 | 2,293,785 |
| School Facilities Construction, Series Z (AGC), 6.00% 12/15/34 | 2,000 | 2,153,940 |
| New Jersey EDA, Refunding RB, School Facilities Construction, Series N-1 (AGM), 5.50%, 9/01/25 | 5,000 | 5,506,300 |
| New Jersey Higher Education Student Assistance Authority, RB, Series 1, AMT: 5.50%, 12/01/26 | 600 | 611,802 |
| 5.75%, 12/01/27 | 3,870 | 3,991,402 |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, | 2,000 | 2,088,180 |

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Series A, 5.50%, 6/15/41

32,628,296

| | Par (000) | Value |
|--|--------------|--------------|
| Municipal Bonds | | |
| New York 3.9% | | |
| Erie County Industrial Development Agency, RB, City School District of Buffalo Project, Series A (AGM), 5.75%, 5/01/28 | \$ 1,500 | \$ 1,630,455 |
| Metropolitan Transportation Authority, RB, Series 2008C, 6.50%, 11/15/28 | 4,000 | 4,626,960 |
| New York City Transitional Finance Authority, RB, Fiscal 2009, Series S-4: 5.50%, 1/15/33 | 1,600 | 1,702,512 |
| 5.50%, 1/15/34 | 2,750 | 2,940,575 |
| New York State Dormitory Authority, ERB, Series B, 5.75%, 3/15/36 | 1,200 | 1,321,080 |
| | | 12,221,582 |
| North Carolina 0.7% | | |
| North Carolina Medical Care Commission, RB, Novant Health Obligation, Series A, 4.75%, 11/01/43 | 2,550 | 2,167,679 |
| Ohio 0.5% | | |
| County of Lucas Ohio, Refunding RB, Promedica Healthcare, Series A, 6.50%, 11/15/37 | 530 | 589,254 |
| Ohio Higher Educational Facility Commission, Refunding RB, Summa Health System, 2010 Project (AGC), 5.25%, 11/15/40 | 1,025 | 1,007,011 |
| | | 1,596,265 |
| Pennsylvania 0.8% | | |
| Pennsylvania HFA, Refunding RB, Series 99A, AMT, 5.25%, 10/01/32 | 1,500 | 1,505,265 |
| Pennsylvania Turnpike Commission, RB, Subordinate, Special Motor License Fund, 6.00%, 12/01/36 | 575 | 640,596 |
| Philadelphia School District, GO, Series E, 6.00%, 9/01/38 | 400 | 421,656 |
| | | 2,567,517 |
| Puerto Rico 1.9% | | |
| Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.38%, 8/01/39 | 3,200 | 3,432,832 |
| Puerto Rico Sales Tax Financing Corp., Refunding RB: CAB, Series A (NPFGC), 5.69%, 8/01/41 (b) | 8,500 | 1,213,035 |
| First Sub-Series C, 6.00%, 8/01/39 | 1,180 | 1,238,540 |
| | | 5,884,407 |
| Rhode Island 0.8% | | |
| Rhode Island Health & Educational Building Corp., Refunding RB, Public Schools Financing Program, Series E (AGC), 6.00%, 5/15/29 | 2,375 | 2,600,316 |

Schedule of Investments (continued)

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

| | Par (000) | Value |
|--|--------------|------------|
| Municipal Bonds | | |
| South Carolina 1.3% | | |
| South Carolina Jobs-EDA, Refunding RB, Palmetto Health, Series A (AGM), 6.50%, 8/01/39 | \$ 115 | \$ 119,805 |
| South Carolina State Public Service Authority, RB, Santee Cooper, Series A, 5.50%, 1/01/38 | 1,000 | 1,065,070 |
| South Carolina Transportation Infrastructure Bank, RB, Series A, 5.25%, 10/01/40 | 3,000 | 3,057,660 |
| | | 4,242,535 |
| Tennessee 1.8% | | |
| Metropolitan Government of Nashville & Davidson County Health & Educational Facilities Board, Refunding RB, Vanderbilt University, Series B, 5.50%, 10/01/29 | 5,000 | 5,648,250 |
| Texas 11.7% | | |
| City of Houston Texas, Refunding RB, Combined, First Lien, Series A (AGC): 6.00%, 11/15/35 | 2,100 | 2,337,090 |
| 5.38%, 11/15/38 | 1,350 | 1,420,497 |
| Dallas-Fort Worth International Airport Facilities Improvement Corp., RB, Series A (NPFGC), 5.50%, 11/01/33 | 13,000 | 12,965,680 |
| Lewisville ISD Texas, GO, Refunding, CAB, School Building (NPFGC), 4.67%, 8/15/24 (b) | 4,475 | 2,482,685 |
| Mansfield ISD Texas, GO, School Building (PSF-GTD), 5.00%, 2/15/33 | 1,725 | 1,797,795 |
| North Texas Tollway Authority, RB (AGC), System, First Tier: Series K-1, 5.75%, 1/01/38 | 3,800 | 3,946,110 |
| Series K-2, 6.00%, 1/01/38 | 4,015 | 4,225,627 |
| North Texas Tollway Authority, Refunding RB, First Tier: Series A, 6.00%, 1/01/28 | 2,795 | 3,013,066 |
| System (NPFGC), 5.75%, 1/01/40 | 1,600 | 1,611,856 |
| Texas State Turnpike Authority, RB, First Tier, Series A (AMBAC), 5.50%, 8/15/39 | 3,150 | 3,127,635 |
| | | 36,928,041 |
| Virginia 0.5% | | |
| Virginia HDA, RB, Sub-Series H-1 (NPFGC), 5.35%, 7/01/31 | 1,530 | 1,530,566 |
| Washington 1.9% | | |
| Central Puget Sound Regional Transit Authority, RB, Series A, 5.00%, 11/01/36 | 1,600 | 1,638,704 |

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| | | |
|--|-----|---------|
| Washington Health Care Facilities Authority, RB, Providence Health & Services, Series A: | | |
| 5.00%, 10/01/39 | 900 | 887,886 |
| 5.25%, 10/01/39 | 625 | 631,894 |

| | Par (000) | Value |
|--|--------------|--------------|
| Municipal Bonds | | |
| Washington (concluded) | | |
| Washington Health Care Facilities Authority, Refunding RB, Providence Health, Series D (AGM), 5.25%, 10/01/33 | \$ 2,800 | \$ 2,866,388 |
| | | 6,024,872 |
| Wisconsin 0.4% | | |
| Wisconsin Health & Educational Facilities Authority, RB, Ascension Health Senior Credit Group, 5.00%, 11/15/33 | 1,375 | 1,387,911 |
| Total Municipal Bonds 124.1% | | 392,746,328 |

Municipal Bonds Transferred to Tender

Option Bond (TOB) Trusts (e)

| | | |
|---|-------|------------|
| Arizona 0.4% | | |
| Phoenix Civic Improvement Corp., RB, Junior Lien, Series A, 5.00%, 7/01/34 | 1,200 | 1,246,860 |
| California 5.3% | | |
| Anaheim Public Financing Authority California, RB, Electric System Distribution Facilities, Series A (AGM), 5.00%, 10/01/31 | 959 | 961,813 |
| Los Angeles Community College District California, GO, Election of 2001, Series A (AGM), 5.00%, 8/01/32 | 2,500 | 2,562,500 |
| Orange County Sanitation District, COP (NPFGC), 5.00%, 2/01/33 | 7,458 | 7,521,888 |
| San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33 | 404 | 425,370 |
| San Diego County Water Authority, COP, Refunding, Series 2008-A (AGM), 5.00%, 5/01/33 | 2,810 | 2,869,516 |
| Tamalpais Union High School District California, GO, Election of 2001 (AGM), 5.00%, 8/01/28 | 1,605 | 1,654,482 |
| University of California, RB, Series O, 5.75%, 5/15/34 | 840 | 908,326 |
| | | 16,903,895 |
| Colorado 0.3% | | |
| Colorado Health Facilities Authority, Refunding RB, Catholic Healthcare, Series A, 5.50%, 7/01/34 | 900 | 928,264 |
| District of Columbia 1.0% | | |
| District of Columbia, RB, Series A, 5.50%, 12/01/30 | 1,005 | 1,120,746 |
| District of Columbia Water & Sewer Authority, RB, Series A, 6.00%, 10/01/35 | 1,770 | 2,030,462 |
| | | 3,151,208 |

Schedule of Investments (continued)

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

| Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts (e) | Par (000) | Value |
|--|--------------|--------------|
| Florida 7.3% | | |
| City of Tallahassee Florida Energy System, RB (NPFGC): | | |
| 5.00%, 10/01/32 | \$ 4,000 | \$ 4,063,400 |
| 5.00%, 10/01/37 | 7,500 | 7,562,850 |
| Florida State Board of Education, GO, Series D, 5.00%, 6/01/37 | 1,349 | 1,386,281 |
| Miami-Dade County School Board, COP, Refunding, Series B (AGC), 5.00%, 5/01/33 | 10,000 | 10,090,500 |
| | | 23,103,031 |
| Georgia 5.5% | | |
| City of Atlanta Georgia, RB, General, Series B (AGM), 5.25%, 1/01/33 | 17,356 | 17,556,619 |
| Illinois 0.6% | | |
| Illinois State Toll Highway Authority, RB, Series B, 5.50%, 1/01/33 | 1,880 | 1,941,112 |
| Louisiana 1.7% | | |
| State of Louisiana Gas & Fuels, RB, Series A (AGM), 5.00%, 5/01/36 | 5,400 | 5,458,752 |
| Massachusetts 3.5% | | |
| Massachusetts School Building Authority, RB, Series A (AGM), 5.00%, 8/15/30 | 10,600 | 11,015,687 |
| Nevada 3.5% | | |
| City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/39 | 3,778 | 4,070,667 |
| Clark County Water Reclamation District, GO, Series B: | | |
| 5.50%, 7/01/29 | 4,499 | 4,889,180 |
| 5.75%, 7/01/34 | 1,829 | 2,004,561 |
| | | 10,964,408 |
| New York 0.9% | | |
| New York City Municipal Water & Sewer Finance Authority, RB, Fiscal 2009, Series A, 5.75%, 6/15/40 | 1,260 | 1,384,700 |
| Triborough Bridge & Tunnel Authority, RB, General, Series A-2, 5.25%, 11/15/34 | 1,300 | 1,369,888 |
| | | 2,754,588 |
| Ohio 0.2% | | |
| State of Ohio, RB, Cleveland Clinic Health, Series B, 5.50%, 1/01/34 | 580 | 604,708 |
| South Carolina 2.7% | | |
| Charleston Educational Excellence Finance Corp., RB, Charleston County School (AGC): | | |
| 5.25%, 12/01/28 | 3,120 | 3,263,645 |
| 5.25%, 12/01/29 | 2,765 | 2,882,236 |

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| | | |
|--|------------------|--------------|
| 5.25%, 12/01/30 | 1,010 | 1,049,986 |
| Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts (e) | Par (000) | Value |
| South Carolina (concluded) | | |
| South Carolina State Public Service Authority, RB, Santee Cooper, Series A, 5.50%, 1/01/38 | \$ 1,275 | \$ 1,357,964 |
| | | 8,553,831 |
| Texas 1.3% | | |
| Clear Creek ISD Texas, GO, Refunding, School Building (PSF-GTD), 5.00%, 2/15/33 | 2,200 | 2,339,260 |
| North East ISD Texas, GO, School Building, Series A (PSF-GTD), 5.00%, 8/01/37 | 1,600 | 1,650,176 |
| | | 3,989,436 |
| Utah 1.6% | | |
| Utah Transit Authority, RB, Series A (AGM), 5.00%, 6/15/36 | 5,000 | 5,131,350 |
| Virginia 0.1% | | |
| Fairfax County IDA Virginia, Refunding RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35 | 350 | 362,964 |
| Washington 1.3% | | |
| Central Puget Sound Regional Transit Authority, RB, Series A (AGM), 5.00%, 11/01/32 | 4,004 | 4,145,170 |
| Wisconsin 0.5% | | |
| Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health Inc., 5.25%, 4/01/39 | 1,430 | 1,434,946 |
| Total Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts | | 119,246,829 |
| 37.7% | | |
| Total Long-Term Investments | | 511,993,157 |
| (Cost \$505,810,637) 161.8% | | |

| | | |
|---|---------------|-----------|
| Short-Term Securities | Shares | |
| FFI Institutional Tax-Exempt Fund, 0.01% (f)(g) | 4,834,091 | 4,834,091 |
| Total Short-Term Securities | | 4,834,091 |
| (Cost \$4,834,091) 1.5% | | |

BLACKROCK MUNIENHANCED FUND, INC.

JULY 31, 2011

6

Schedule of Investments (concluded)

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

| | Value |
|---|-----------------------|
| Total Investments | |
| (Cost \$510,644,728*) 163.3% | \$ 516,827,248 |
| Other Assets Less Liabilities 1.2% | 3,784,812 |
| Liability for TOB Trust Certificates, Including Interest | |
| Expense and Fees Payable (19.5)% | (61,662,074) |
| AMPS, at Redemption Value (45.0)% | (142,500,000) |
| Net Assets Applicable to Common Shares 100.0% | \$ 316,449,986 |

* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2011, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|----------------|
| Aggregate cost | \$ 510,644,728 |
| Gross unrealized appreciation | 13,776,811 |
| Gross unrealized depreciation | (7,594,291) |
| Net unrealized appreciation | \$ 6,182,520 |

- (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 is as of report date.
- (b) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (c) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty | Value | Unrealized Appreciation |
|-----------------------|------------|----------------------------|
| Barclays Capital Inc. | \$ 875,789 | \$ 2,312 |

- (d) 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.
- (e) Securities represent bonds transferred to a TOB 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 during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate | Shares Held at April 30, 2011 | Net Activity | Shares Held at July 31, 2011 | Income |
|-----------|-------------------------------------|-----------------|------------------------------------|--------|
|-----------|-------------------------------------|-----------------|------------------------------------|--------|

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| | | | | | |
|---|-----------|-----------|-----------|----|--------|
| FFI Institutional Tax-Exempt Fund | 3,470,954 | 1,363,137 | 4,834,091 | \$ | 10,748 |
|---|-----------|-----------|-----------|----|--------|

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

Financial futures contracts sold as of July 31, 2011 were as follows:

| Contracts | Issue | Exchange | Expiration | Notional Value | Unrealized Depreciation |
|-----------|--------------------------|------------------------|----------------|----------------|-------------------------|
| 170 | 10-Year US Treasury Note | Chicago Board of Trade | September 2011 | \$ 20,830,146 | \$ (536,729) |

Fair Value Measurements - Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized in three broad levels for financial reporting purposes as follows:

Level 1 price quotations in active markets/exchanges for identical assets and liabilities

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 and derivative financial instruments)

The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Fund's perceived risk of investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies please refer to the Fund's most recent financial statements as contained in its annual report.

The following tables summarize the inputs used as of July 31, 2011 in determining the fair valuation of the Fund's investments and derivative financial instruments:

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|------------------------------------|--------------|----------------|---------|----------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term Investments ¹ | | \$ 511,993,157 | | \$ 511,993,157 |
| Short-Term Securities | \$ 4,834,091 | | | 4,834,091 |
| Total | \$ 4,834,091 | \$ 511,993,157 | | \$ 516,827,248 |

¹ See above schedule of investments for values in each state or political subdivision.

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|---|--------------|---------|---------|--------------|
| Derivative Financial Instruments² | | | | |
| Liabilities: | | | | |
| Interest rate contracts | \$ (536,729) | | | \$ (536,729) |

² Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

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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 13a-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/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock MuniEnhanced Fund, Inc.

Date: September 26, 2011

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/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock MuniEnhanced Fund, Inc.

Date: September 26, 2011

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

Date: September 26, 2011

