

BLACKROCK MUNI ENHANCED FUND INC  
Form N-Q  
March 27, 2012  
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 52<sup>nd</sup> 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: 01/31/2012

Item 1 – Schedule of Investments

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Schedule of Investments January 31, 2012 (Unaudited)

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

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Municipal Bonds</b>  |              |              |
| <b>Alabama 1.3%</b>   |              |              |
| County of Jefferson Alabama, RB,<br>Series A:   |              |              |
| 5.50%, 1/01/22  | \$ 2,750     | \$ 2,519,468 |
| 4.75%, 1/01/25  | 2,200        | 1,940,840    |
|   |              | 4,460,308    |
| <b>Alaska 0.8%</b>  |              |              |
| Alaska Housing Finance Corp., RB,<br>General Housing, Series B (NPFGC),<br>5.25%, 12/01/30                                      |              |              |
|   | 400          | 414,676      |
| Alaska Industrial Development & Export<br>Authority, RB, Providence Health<br>Services, Series A, 5.50%, 10/01/41               |              |              |
|   | 990          | 1,114,799    |
| Borough of Matanuska-Susitna Alaska,<br>RB, Goose Creek Correctional Center<br>(AGC), 6.00%, 9/01/28                            |              |              |
|   | 1,200        | 1,458,864    |
|   |              | 2,988,339    |
| <b>Arizona 1.5%</b>   |              |              |
| Greater Arizona Development Authority,<br>RB, Series B (NPFGC), 5.00%,<br>8/01/35   |              |              |
|   | 1,300        | 1,370,369    |
| State of Arizona, COP, Department of<br>Administration, Series A (AGM):   |              |              |
| 5.00%, 10/01/27   | 3,250        | 3,686,637    |
| 5.00%, 10/01/29   | 400          | 440,020      |
|   |              | 5,497,026    |
| <b>California 18.5%</b>   |              |              |
| Alameda Corridor Transportation<br>Authority, Refunding RB, CAB,<br>Subordinate Lien, Series A<br>(AMBAC) (a):                  |              |              |
| 5.40%, 10/01/24   | 10,185       | 10,022,651   |
| 5.45%, 10/01/25   | 6,000        | 5,896,440    |
| Anaheim Public Financing Authority<br>California, RB, Senior, Public<br>Improvements Project, Series A<br>(AGM), 6.00%, 9/01/24 |              |              |
|   | 5,000        | 6,213,850    |
| Cabrillo Community College District, GO,<br>CAB, Election of 2004, Series B<br>(NPFGC), 5.18%, 8/01/37 (b)                      |              |              |
|   | 2,400        | 597,912      |
| California Health Facilities Financing<br>Authority, Refunding RB:  |              |              |
| St. Joseph Health System,<br>Series A, 5.75%, 7/01/39   |              |              |
|   | 550          | 603,092      |
| Sutter Health, Series B,<br>5.88%, 8/15/31  |              |              |
|   | 1,200        | 1,421,424    |
| California State University, RB,<br>Systemwide, Series A (NPFGC),<br>5.00%, 11/01/35  |              |              |
|   | 1,405        | 1,462,731    |
| California State University, Refunding<br>RB, Systemwide, Series A (AGM),<br>5.00%, 11/01/37                                    |              |              |
|   | 2,000        | 2,223,260    |
|   | 1,420        | 1,567,992    |

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City of Redding California, COP,  
Refunding, Series A (AGM), 5.00%,  
6/01/30

| Municipal Bonds   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>California (concluded)</b>   |              |            |
| City of San Jose California, RB, Series A-1, AMT, 5.75%, 3/01/34  | \$ 850       | \$ 939,148 |
| Los Angeles Community College District California, GO, Election of 2001, Series A (AGM), 5.00%, 8/01/32       | 1,300        | 1,421,953  |
| Los Angeles Department of Water & Power, RB, Series C (NPFGC), 5.00%, 7/01/29                                 | 5,160        | 5,404,842  |
| Metropolitan Water District of Southern California, RB, Series B-1 (NPFGC):                                   |              |            |
| 5.00%, 10/01/29   | 2,570        | 2,719,343  |
| 5.00%, 10/01/36   | 1,480        | 1,559,713  |
| Orange County Sanitation District, COP, Series B (AGM):   |              |            |
| 5.00%, 2/01/30  | 1,500        | 1,661,100  |
| 5.00%, 2/01/31  | 900          | 991,782    |
| Poway Unified School District, GO, CAB, School Facilities Improvement Election of 2007, 6.27%, 8/01/36 (b)    | 3,750        | 1,063,575  |
| Rio Hondo Community College District California, GO, CAB, Election of 2004, Series C, 6.17%, 8/01/38 (b)      | 5,000        | 1,305,550  |
| San Diego Unified School District California, GO, CAB, Election of 2008, Series C, 6.84%, 7/01/38 (b)         | 1,600        | 415,456    |
| San Joaquin County Transportation Authority, RB, Limited Tax, Measure K, Series A, 6.00%, 3/01/36             | 2,175        | 2,611,784  |
| San Marcos Unified School District, GO, Election of 2010, Series A:   |              |            |
| 5.00%, 8/01/34  | 700          | 777,070    |
| 5.00%, 8/01/38  | 600          | 657,972    |
| San Mateo County Community College District, GO, CAB, Election of 2001, Series C (NPFGC), 5.53%, 9/01/30 (b)  | 12,740       | 5,612,734  |
| State of California, GO:  |              |            |
| 5.13%, 6/01/27  | 20           | 20,046     |
| 5.13%, 6/01/31  | 60           | 60,116     |
| Tamalpais Union High School District California, GO, Election of 2001, 5.00%, 8/01/13 (c)                     | 1,600        | 1,713,040  |
| Walnut Valley Unified School District, GO, CAB, Election of 2007, Series B, 6.89%, 8/01/36 (b)                | 5,500        | 1,567,775  |
| West Basin Municipal Water District California, COP, Refunding, Series B (AGC), 5.00%, 8/01/30                | 5,035        | 5,485,985  |
|   |              | 65,998,336 |
| <b>Colorado 1.1%</b>  |              |            |
| Colorado Health Facilities Authority, RB, Covenant Retirement Communities, Series A (Radian), 5.50%, 12/01/27 | 1,200        | 1,212,768  |
| Colorado Housing & Finance Authority, Refunding RB, S/F Program, Senior                                       | 295          | 299,328    |

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Series A-2, AMT, 7.50%, 4/01/31

BLACKROCK MUNIENHANCED FUND, INC.

JANUARY 31, 2012

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## Schedule of Investments (continued)

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

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>Colorado (concluded)</b>  |              |              |
| Regional Transportation District, COP,<br>Series A, 5.38%, 6/01/31   | \$ 2,000     | \$ 2,252,000 |
|  |              | 3,764,096    |
| <b>District of Columbia 1.6%</b>   |              |              |
| District of Columbia, RB, Series B-1<br>(NPFGC), 5.00%, 2/01/31  | 5,480        | 5,589,326    |
| <b>Florida 13.5%</b>   |              |              |
| Broward County School Board Florida,<br>COP, Series A (AGM), 5.25%, 7/01/33  | 1,600        | 1,727,168    |
| Collier County School Board, COP (AGM),<br>5.00%, 2/15/23  | 3,000        | 3,291,600    |
| County of Broward Florida, RB, Water &<br>Sewer Utility, Series A, 5.25%,<br>10/01/34  | 850          | 952,748      |
| County of Duval Florida, COP, Master<br>Lease Program (AGM), 5.00%,<br>7/01/33   | 3,925        | 4,171,294    |
| County of Lee Florida, Refunding RB,<br>Series A, AMT:<br>5.63%, 10/01/26  | 960          | 1,066,032    |
| 5.38%, 10/01/32  | 3,160        | 3,413,179    |
| County of Miami-Dade Florida, GO,<br>Building Better Communities Program,<br>Series B-1, 5.75%, 7/01/33                                  | 1,400        | 1,610,826    |
| County of Miami-Dade Florida, RB,<br>Water & Sewer System (AGM), 5.00%,<br>10/01/39  | 4,625        | 5,034,867    |
| County of Miami-Dade Florida,<br>Refunding RB, Miami International<br>Airport, Miami International Airport<br>AMT (AGC), 5.00%, 10/01/40 | 9,900        | 10,144,530   |
| Florida Ports Financing Commission,<br>Refunding RB, State Transportation<br>Trust Fund, Series B, AMT:<br>5.13%, 6/01/27                | 2,000        | 2,277,280    |
| 5.38%, 10/01/29  | 1,050        | 1,195,446    |
| Highlands County Health Facilities<br>Authority, RB, Adventist Health<br>System/Sunbelt, Series B, 6.00%,<br>11/15/37                    | 1,450        | 1,659,032    |
| Hillsborough County Aviation Authority<br>Florida, RB, Series A, AMT (AGC),<br>5.38%, 10/01/33   | 4,050        | 4,316,692    |
| Orange County School Board, COP,<br>Series A:<br>(AGC), 5.50%, 8/01/34   | 3,550        | 3,952,890    |
| (NPFGC), 5.00%, 8/01/31  | 2,000        | 2,119,640    |
| Sarasota County Public Hospital District,<br>RB, Sarasota Memorial Hospital<br>Project, Series A, 5.63%, 7/01/39                         | 275          | 294,135      |

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|   |       |            |
|---|-------|------------|
| South Florida Water Management District, COP (AGC), 5.00%, 10/01/22 | 1,000 | 1,117,290  |
|   |       | 48,344,649 |

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>Georgia 3.6%</b>  |              |              |
| Burke County Development Authority, RB, Oglethorpe Power-Vogtle Project, Series C, 5.70%, 1/01/43          | \$ 1,150     | \$ 1,237,745 |
| Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 | 725          | 792,715      |
| Municipal Electric Authority of Georgia, Refunding RB, Series EE (AMBAC), 7.00%, 1/01/25                   | 7,475        | 10,696,800   |
|  |              | 12,727,260   |
| <b>Illinois 20.9%</b>  |              |              |
| City of Chicago Illinois, ARB, General, Third Lien, Series B-2, AMT: (AGM), 5.75%, 1/01/23                 | 5,670        | 6,000,618    |
| (Syncora), 6.00%, 1/01/29  | 2,500        | 2,663,175    |
| City of Chicago Illinois, GO, Board of Education, Series A, 5.50%, 12/01/39                                | 2,375        | 2,691,065    |
| City of Chicago Illinois, Board of Education, GO, Refunding: Series A (AGM), 5.50%, 12/01/31               | 2,875        | 3,569,744    |
| Chicago School Reform Board, (NPFGC), 5.50%, 12/01/26  | 725          | 883,521      |
| City of Chicago Illinois, Park District, GO, Harbor Facilities, Series C, 5.25%, 1/01/40                   | 550          | 606,760      |
| City of Chicago Illinois, Transit Authority, RB, Sales Tax Revenue, 5.25%, 12/01/36                        | 595          | 665,210      |
| City of Chicago Illinois, RB, Series A: (AGC), 5.00%, 1/01/38  | 2,000        | 2,101,160    |
| General Third Lien, 5.75%, 1/01/39   | 5,110        | 5,832,554    |
| City of Chicago Illinois, Refunding GARB, Third Lien, Series A, AMT (NPFGC), 5.75%, 1/01/21                | 4,500        | 4,513,725    |
| County of Cook Illinois, GO, Capital Improvement, Series C (AMBAC), 5.50%, 11/15/12 (c)                    | 2,460        | 2,562,508    |
| Illinois Finance Authority, RB, Carle Foundation, Series A, 5.75%, 8/15/34                                 | 650          | 699,894      |
| Illinois Finance Authority, Refunding RB, Carle Foundation, Series A, 6.00%, 8/15/41                       | 1,000        | 1,090,160    |
| Illinois HDA, RB, Liberty Arms Senior Apartments, Series D, AMT (AMBAC), 4.88%, 7/01/47                    | 2,200        | 2,179,738    |
| Illinois Municipal Electric Agency, RB, Series A (NPFGC), 5.25%, 2/01/35                                   | 1,000        | 1,066,400    |
| Illinois Sports Facilities Authority, RB, State Tax Supported (AMBAC), 5.50%, 6/15/30                      | 17,620       | 19,299,362   |



## Schedule of Investments (continued)

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

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Municipal Bonds</b>  |              |              |
| <b>Illinois (concluded)</b>   |              |              |
| Metropolitan Pier & Exposition Authority,<br>RB, CAB, McCormick Place Expansion<br>Project, Series A (NPFGC) (b):                           |              |              |
| 5.15%, 12/15/26   | \$ 5,000     | \$ 2,738,200 |
| 5.96%, 12/15/33   | 9,950        | 3,314,146    |
| Metropolitan Pier & Exposition Authority,<br>Refunding RB, CAB, McCormick Place<br>Expansion Project, Series B (AGM),<br>6.25%, 6/15/44 (b) | 3,450        | 595,677      |
| Railsplitter Tobacco Settlement<br>Authority, RB, 6.00%, 6/01/28  | 675          | 756,891      |
| Regional Transportation Authority, RB,<br>Series A (AMBAC), 7.20%, 11/01/20   | 8,800        | 10,719,632   |
|   |              | 74,550,140   |
| <b>Indiana 1.2%</b>   |              |              |
| Indiana Finance Authority, RB, First Lien,<br>CWA Authority Project, Series A,<br>5.25%, 10/01/38   | 1,100        | 1,229,866    |
| Indiana Municipal Power Agency, RB,<br>Series B, 5.75%, 1/01/34   | 400          | 427,748      |
| Indianapolis Local Public Improvement<br>Bond Bank, Refunding RB,<br>Waterworks Project, Series A (AGC):                                    |              |              |
| 5.25%, 1/01/29  | 600          | 678,540      |
| 5.50%, 1/01/38  | 1,825        | 2,046,263    |
|   |              | 4,382,417    |
| <b>Iowa 4.0%</b>  |              |              |
| Iowa Finance Authority, RB, Series A<br>(AGC), 5.63%, 8/15/37   | 5,725        | 6,313,473    |
| Iowa Student Loan Liquidity Corp., RB,<br>Series A-2, AMT:  |              |              |
| 5.60%, 12/01/26   | 3,670        | 3,930,423    |
| 5.70%, 12/01/27   | 1,670        | 1,774,475    |
| 5.80%, 12/01/29   | 1,125        | 1,188,776    |
| 5.85%, 12/01/30   | 1,170        | 1,233,403    |
|   |              | 14,440,550   |
| <b>Louisiana 1.4%</b>   |              |              |
| Jefferson Parish Hospital Service District<br>No. 1, Refunding RB, Jefferson<br>Medical Center, Series A, 6.00%,<br>1/01/39                 | 420          | 467,141      |
| Louisiana Public Facilities Authority,<br>Refunding RB, Christus Health, Series<br>B (AGC), 6.50%, 7/01/30                                  | 1,250        | 1,476,025    |
| Parish of Saint John the Baptist<br>Louisiana, RB, Marathon Oil Corp.,<br>Series A, 5.13%, 6/01/37  | 3,150        | 3,193,627    |
|   |              | 5,136,793    |
| <b>Massachusetts 1.3%</b>   |              |              |



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Massachusetts HFA, Refunding RB,

AMT:

Rental Housing, Series A (AGM),

5.15%, 7/01/26

625

633,838

Series C, 5.35%, 12/01/42

1,150

1,208,822

**Municipal Bonds**

**Par  
(000)**

**Value**

**Massachusetts (concluded)**

Massachusetts Water Resources

Authority, Refunding RB, General,

Series A (NPFGC), 5.00%, 8/01/34

\$ 2,700

\$ 2,957,580

4,800,240

**Michigan 6.0%**

City of Detroit Michigan, RB, Senior Lien

(AGM), 7.50%, 7/01/33

500

631,125

City of Detroit Michigan, RB, Series B,

Second Lien (AGM):

6.25%, 7/01/36

400

463,928

7.00%, 7/01/36

200

242,026

City of Detroit Michigan, Refunding RB,

Second Lien, Series E (BHAC), 5.75%,

7/01/31

2,500

2,845,325

Kalamazoo Hospital Finance Authority,

RB, Bronson Methodist Hospital

(AGM), 5.25%, 5/15/36

425

460,891

Lansing Board of Water & Light Utilities,

RB, Series A, 5.50%, 7/01/41

1,700

1,973,666

Michigan Higher Education Student

Loan Authority, Refunding RB, Student

Loan, Series XVII-G, AMT (AMBAC),

5.20%, 9/01/20

1,500

1,513,485

Michigan State Building Authority,

Refunding RB, Facilities Program:

Series I-A, 5.38%, 10/15/36

145

163,698

Series I-A, 5.38%, 10/15/41

700

787,843

Series II-A (AGM), 5.25%,

10/15/36

900

1,009,710

Michigan State Finance Authority,

Refunding RB, Trinity Health, 5.00%,

12/01/39

4,300

4,560,322

Michigan State Housing Development

Authority, RB, Series C, AMT, 5.50%,

12/01/28

1,100

1,154,604

Michigan Strategic Fund, Refunding RB,

Detroit Edison Co. Project, AMT

(Synora):

Series A, 5.50%, 6/01/30

1,300

1,322,087

Series C, 5.45%, 12/15/32

4,300

4,331,390

21,460,100

**Minnesota 0.8%**

City of Minneapolis Minnesota, Fairview

Health Services, Refunding RB,

Fairview Health Services, Series B

(AGC), 6.50%, 11/15/38

2,500

2,951,200

**Nevada 3.1%**

City of Carson City Nevada, RB, Carson-

Tahoe Hospital Project, Series A

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

1,250

1,285,337

City of Las Vegas Nevada, GO, Limited

850

991,823

Tax, Performing Arts Center, 6.00%,

4/01/34

BLACKROCK MUNIENHANCED FUND, INC.

JANUARY 31, 2012

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## Schedule of Investments (continued)

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

|   | Par<br>(000) | Value               |
|---|--------------|---------------------|
| <b>Municipal Bonds</b>  |              |                     |
| <b>Nevada (concluded)</b>   |              |                     |
| County of Clark Nevada, RB:<br>Las Vegas-McCarran International<br>Airport, Series A (AGC), 5.25%,<br>7/01/39                   | \$ 3,800     | \$ 4,143,710        |
| Southwest Gas Corp. Project, Series<br>A, AMT (FGIC), 4.75%, 9/01/36<br>Subordinate Lien, Series A-2<br>(NPFGC), 5.00%, 7/01/30 | 75<br>1,275  | 71,242<br>1,322,506 |
| Subordinate Lien, Series A-2<br>(NPFGC), 5.00%, 7/01/36   | 3,200        | 3,284,032           |
|   |              | 11,098,650          |
| <b>New Jersey 6.8%</b>  |              |                     |
| New Jersey EDA, RB:<br>Cigarette Tax (Radian), 5.50%,<br>6/15/31  | 600          | 621,936             |
| Cigarette Tax (Radian), 5.75%,<br>6/15/34   | 305          | 316,529             |
| Motor Vehicle Surcharge, Series A<br>(NPFGC), 5.25%, 7/01/31  | 3,125        | 3,352,656           |
| Motor Vehicle Surcharge, Series A<br>(NPFGC), 5.25%, 7/01/33  | 7,800        | 8,368,230           |
| School Facilities Construction,<br>Series Z (AGC), 6.00%, 12/15/34  | 2,000        | 2,306,940           |
| New Jersey Higher Education Assistance<br>Authority, RB, Series 1, AMT, 5.50%,<br>12/01/26                                      | 600          | 653,388             |
| New Jersey Higher Education Student<br>Assistance Authority, RB, Series 1,<br>AMT, 5.75%, 12/01/27                              | 3,870        | 4,280,530           |
| New Jersey Transportation Trust Fund<br>Authority, RB, Transportation System:<br>Series A, 5.50%, 6/15/41                       | 2,000        | 2,294,780           |
| Series B, 5.25%, 6/15/36  | 1,825        | 2,053,399           |
|   |              | 24,248,388          |
| <b>New York 4.6%</b>  |              |                     |
| Erie County Industrial Development<br>Agency, RB, City School District of<br>Buffalo Project, Series A (AGM),<br>5.75%, 5/01/28 | 1,500        | 1,707,510           |
| Hudson New York Yards Infrastructure<br>Corp., RB, Series A, Series A, 5.75%,<br>2/15/47  | 700          | 791,007             |
| Metropolitan Transportation Authority,<br>RB, Series 2008C, 6.50%, 11/15/28   | 4,000        | 4,983,920           |
| New York City Transitional Finance<br>Authority, RB, Fiscal 2009, Series S-4:<br>5.50%, 1/15/33                                 | 1,600        | 1,828,896           |
| 5.50%, 1/15/34  | 2,750        | 3,134,230           |
| New York HFA, RB, Affordable Housing,<br>Series B, 5.30%, 11/01/37  | 2,500        | 2,586,075           |

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|   |                      |              |
|---|----------------------|--------------|
| New York State Dormitory Authority,<br>ERB, Series B, 5.75%, 3/15/36  | 1,200                | 1,415,220    |
|   |                      | 16,446,858   |
|   | <b>Par<br/>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>  |                      |              |
| <b>North Carolina 0.2%</b>  |                      |              |
| North Carolina Medical Care<br>Commission, RB, Novant Health<br>Obligation, Series A, 4.75%,<br>11/01/43                                  | \$ 850               | \$ 862,104   |
| <b>Ohio 0.5%</b>  |                      |              |
| County of Lucas Ohio, Refunding RB,<br>Promedica Healthcare, Series A,<br>6.50%, 11/15/37   | 530                  | 646,028      |
| Ohio Higher Educational Facility<br>Commission, Refunding RB, Summa<br>Health System, 2010 Project (AGC),<br>5.25%, 11/15/40              | 1,025                | 1,093,921    |
|   |                      | 1,739,949    |
| <b>Pennsylvania 0.8%</b>  |                      |              |
| Pennsylvania HFA, Refunding RB, Series<br>99A, AMT, 5.25%, 10/01/32   | 1,500                | 1,544,880    |
| Pennsylvania Turnpike Commission, RB,<br>Subordinate, Special Motor License<br>Fund, 6.00%, 12/01/36                                      | 575                  | 696,526      |
| Philadelphia School District, GO, Series<br>E, 6.00%, 9/01/38   | 400                  | 456,312      |
|   |                      | 2,697,718    |
| <b>Puerto Rico 3.2%</b>   |                      |              |
| Puerto Rico Sales Tax Financing Corp.,<br>RB:<br>CAB, Series C, 6.04%,<br>8/01/38 (b)   | 8,000                | 1,969,440    |
| First Sub-Series A, 6.38%,<br>8/01/39   | 3,200                | 3,735,648    |
| First Sub-Series A, 6.00%,<br>8/01/42   | 2,275                | 2,573,616    |
| Puerto Rico Sales Tax Financing Corp.,<br>Refunding RB, First Sub-Series C,<br>6.00%, 8/01/39   | 1,180                | 1,352,304    |
| Puerto Rico Sales Tax Financing Corp.,<br>Refunding RB, CAB, Series A (NPFGC),<br>5.68%, 8/01/41 (b)                                      | 8,500                | 1,695,495    |
|   |                      | 11,326,503   |
| <b>Rhode Island 0.7%</b>  |                      |              |
| Rhode Island Health & Educational<br>Building Corp., Refunding RB, Public<br>Schools Financing Program, Series E<br>(AGC), 6.00%, 5/15/29 | 2,275                | 2,601,781    |
| <b>South Carolina 1.3%</b>  |                      |              |
| South Carolina Jobs-EDA, Refunding RB,<br>Palmetto Health, Series A (AGM),<br>6.50%, 8/01/39  | 115                  | 133,878      |
| South Carolina State Public Service<br>Authority, RB, Santee Cooper, Series<br>A, 5.50%, 1/01/38  | 1,000                | 1,137,020    |



## Schedule of Investments (continued)

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

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>South Carolina (concluded)</b>  |              |              |
| South Carolina Transportation<br>Infrastructure Bank, RB, Series A,<br>5.25%, 10/01/40   | \$ 3,000     | \$ 3,303,570 |
|  |              | 4,574,468    |
| <b>Tennessee 2.6%</b>  |              |              |
| Memphis Center City Revenue Finance<br>Corp., RB, Subordinate, Pyramid &<br>Pinch District, Series B, (AGM), 5.25%,<br>11/01/30  | 2,955        | 3,357,973    |
| Metropolitan Government of Nashville &<br>Davidson County Health &<br>Educational Facilities Board,<br>Refunding RB, Vanderbilt University,<br>Series B, 5.50%, 10/01/29 | 5,000        | 6,067,650    |
|  |              | 9,425,623    |
| <b>Texas 10.1%</b>   |              |              |
| City of Houston Texas, Refunding RB,<br>Combined, First Lien, Series A (AGC):<br>6.00%, 11/15/35   | 2,100        | 2,530,962    |
| 5.38%, 11/15/38  | 1,350        | 1,528,227    |
| Dallas-Fort Worth International Airport<br>Facilities Improvement Corp., RB,<br>Series A (NPFGC), 5.50%, 11/01/33  | 13,000       | 13,232,960   |
| Mansfield ISD Texas, GO, School<br>Building (PSF-GTD), 5.00%, 2/15/33  | 1,725        | 1,930,568    |
| North Texas Tollway Authority, RB (AGC)<br>System, First Tier:<br>Series K-1, 5.75%, 1/01/38   | 3,800        | 4,268,958    |
| Series K-2, 6.00%, 1/01/38   | 4,015        | 4,571,238    |
| North Texas Tollway Authority,<br>Refunding RB, First Tier:<br>Series A, 6.00%, 1/01/28  | 2,795        | 3,263,834    |
| System (NPFGC), 5.75%,<br>1/01/40  | 1,600        | 1,735,648    |
| Texas State Turnpike Authority, RB, First<br>Tier, Series A (AMBAC), 5.50%,<br>8/15/39   | 3,150        | 3,175,389    |
|  |              | 36,237,784   |
| <b>Washington 1.8%</b>   |              |              |
| Central Puget Sound Regional Transit<br>Authority, RB, Series A, 5.00%,<br>11/01/36  | 1,600        | 1,745,696    |
| Washington Health Care Facilities<br>Authority, RB, Providence Health &<br>Services, Series A:<br>5.00%, 10/01/39  | 900          | 955,683      |
| 5.25%, 10/01/39  | 625          | 676,675      |
| Washington Health Care Facilities<br>Authority, Refunding RB, Providence<br>Health, Series D (AGM), 5.25%,   | 2,800        | 3,054,324    |

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10/01/33

6,432,378

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Municipal Bonds</b>  |              |              |
| <b>Wisconsin 0.4%</b>   |              |              |
| Wisconsin Health & Educational<br>Facilities Authority, RB, Ascension<br>Health Senior Credit Group, 5.00%,<br>11/15/33 | \$ 1,375     | \$ 1,492,026 |
| <b>Total Municipal Bonds 113.6%</b>   |              | 406,275,010  |

**Municipal Bonds Transferred to  
Tender Option Bond (TOB) Trusts (d)**

|  |       |           |
|--|-------|-----------|
| <b>Arizona 0.8%</b>  |       |           |
| Phoenix Civic Improvement Corp., RB,<br>Junior Lien, Series A, 5.00%, 7/01/34                    | 1,200 | 1,350,000 |
| Salt River Project Agricultural<br>Improvement & Power District, RB,<br>Series A, 5.00%, 1/01/38 | 1,500 | 1,642,755 |
|  |       | 2,992,755 |

|   |       |            |
|---|-------|------------|
| <b>California 4.2%</b>  |       |            |
| Los Angeles Community College District<br>California, GO, Election of 2001,<br>Series A (AGM), 5.00%, 8/01/32 | 2,500 | 2,734,525  |
| Orange County Sanitation District, COP<br>(NPFGC), 5.00%, 2/01/33   | 7,458 | 7,675,452  |
| San Diego Community College District<br>California, GO, Election of 2002,<br>5.25%, 8/01/33                   | 404   | 463,565    |
| San Diego County Water Authority, COP,<br>Refunding, Series 2008-A (AGM),<br>5.00%, 5/01/33                   | 2,810 | 3,039,718  |
| University of California, RB, Series O,<br>5.75%, 5/15/34   | 840   | 988,386    |
|   |       | 14,901,646 |

|   |     |         |
|---|-----|---------|
| <b>Colorado 0.3%</b>  |     |         |
| Colorado Health Facilities Authority,<br>Refunding RB, Catholic Health, Series<br>A, 5.50%, 7/01/34 | 900 | 995,971 |

|   |       |           |
|---|-------|-----------|
| <b>District of Columbia 1.0%</b>  |       |           |
| District of Columbia, RB, Series A,<br>5.50%, 12/01/30                            | 1,005 | 1,215,065 |
| District of Columbia Water & Sewer<br>Authority, RB, Series A, 6.00%,<br>10/01/35 | 1,770 | 2,211,214 |
|   |       | 3,426,279 |

|  |       |           |
|--|-------|-----------|
| <b>Florida 6.8%</b>  |       |           |
| City of Tallahassee Florida Energy<br>System, RB (NPFGC):<br>5.00%, 10/01/32 | 4,000 | 4,303,680 |
| 5.00%, 10/01/37  | 7,500 | 8,021,625 |
| Florida State Board of Education, GO,<br>Series D, 5.00%, 6/01/37            | 1,349 | 1,470,683 |





## Schedule of Investments (continued)

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

| Municipal Bonds Transferred to<br>Tender Option Bond (TOB) Trusts (d)                                     | Par<br>(000) | Value         |
|---|--------------|---------------|
| <b>Florida (concluded)</b>  |              |               |
| Miami-Dade County School Board, COP,<br>Refunding, Series B (AGC), 5.00%,<br>5/01/33                      | \$ 10,000    | \$ 10,610,000 |
|   |              | 24,405,988    |
| <b>Georgia 5.2%</b>   |              |               |
| City of Atlanta Georgia, RB, General,<br>Series B (AGM), 5.25%, 1/01/33                                   | 17,356       | 18,620,787    |
| <b>Illinois 3.0%</b>  |              |               |
| City of Chicago Illinois, RB, Sale Tax<br>Revenue, Series A, 5.00%, 1/01/41                               | 3,430        | 3,797,216     |
| Illinois State Toll Highway Authority, RB,<br>Series B, 5.50%, 1/01/33                                    | 1,880        | 2,069,497     |
| State of Illinois, RB, Build Illinois, Series<br>B, 5.25%, 6/15/34  | 4,399        | 4,870,774     |
|   |              | 10,737,487    |
| <b>Louisiana 1.6%</b>   |              |               |
| State of Louisiana Gas & Fuels, RB,<br>Series A (AGM), 5.00%, 5/01/36                                     | 5,400        | 5,749,974     |
| <b>Massachusetts 3.3%</b>   |              |               |
| Massachusetts School Building<br>Authority, RB, Series A (AGM), 5.00%,<br>8/15/30                         | 10,600       | 11,834,749    |
| <b>Nevada 3.3%</b>  |              |               |
| City of Las Vegas Nevada, GO, Limited<br>Tax, Performing Arts Center, 6.00%,<br>4/01/39                   | 3,778        | 4,364,108     |
| Clark County Water Reclamation<br>District, GO, Series B:<br>5.50%, 7/01/29                               | 4,499        | 5,290,625     |
| 5.75%, 7/01/34  | 1,829        | 2,171,073     |
|   |              | 11,825,806    |
| <b>New York 1.6%</b>  |              |               |
| New York City Municipal Water & Sewer<br>Finance Authority, RB, Fiscal 2009,<br>Series A, 5.75%, 6/15/40  | 1,260        | 1,471,981     |
| Port Authority of New York & New Jersey,<br>RB, Construction One Hundred Forty-<br>Third, 5.00%, 10/01/30 | 2,500        | 2,664,075     |
| Triborough Bridge & Tunnel Authority,<br>RB, General, Series A-2, 5.25%,<br>11/15/34                      | 1,300        | 1,483,534     |
|   |              | 5,619,590     |
| <b>Ohio 0.2%</b>  |              |               |
| State of Ohio, RB, Cleveland Clinic<br>Health, Series B, 5.50%, 1/01/34                                   | 580          | 641,689       |
| <b>Puerto Rico 0.7%</b>   |              |               |
| Puerto Rico Sales Tax Financing Corp.,<br>RB, Series C, 5.25%, 8/01/40                                    | 2,380        | 2,643,014     |

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| Municipal Bonds Transferred to<br>Tender Option Bond (TOB) Trusts (d)   | Par<br>(000) | Value         |
|---|--------------|---------------|
| <b>South Carolina 2.6%</b>  |              |               |
| Charleston Educational Excellence<br>Finance Corp., RB, Charleston County<br>School (AGC):                                    |              |               |
| 5.25%, 12/01/28   | \$ 3,120     | \$ 3,466,570  |
| 5.25%, 12/01/29   | 2,765        | 3,066,744     |
| 5.25%, 12/01/30   | 1,010        | 1,118,262     |
| South Carolina State Public Service<br>Authority, RB, Santee Cooper, Series<br>A, 5.50%, 1/01/38                              |              |               |
|   | 1,275        | 1,449,700     |
|   |              | 9,101,276     |
| <b>South Dakota 0.7%</b>  |              |               |
| South Dakota HDA, RB, Homeownership<br>Mortgage Series K, 5.05%, 5/01/36  |              |               |
|   | 2,500        | 2,521,025     |
| <b>Texas 1.2%</b>   |              |               |
| Clear Creek ISD Texas, GO, Refunding,<br>School Building (PSF-GTD), 5.00%,<br>2/15/33   |              |               |
|   | 2,200        | 2,593,261     |
| North East ISD Texas, GO, School<br>Building, Series A (PSF-GTD), 5.00%,<br>8/01/37   |              |               |
|   | 1,600        | 1,769,680     |
|   |              | 4,362,941     |
| <b>Utah 1.6%</b>  |              |               |
| Utah Transit Authority, RB, Series A<br>(AGM), 5.00%, 6/15/36   |              |               |
|   | 5,000        | 5,557,550     |
| <b>Virginia 0.1%</b>  |              |               |
| Fairfax County IDA Virginia, Refunding<br>RB, Health Care, Inova Health System,<br>Series A, 5.50%, 5/15/35                   |              |               |
|   | 350          | 391,318       |
| <b>Washington 1.2%</b>  |              |               |
| Central Puget Sound Regional Transit<br>Authority, RB, Series A (AGM), 5.00%,<br>11/01/32                                     |              |               |
|   | 4,004        | 4,439,777     |
| <b>Wisconsin 0.4%</b>   |              |               |
| Wisconsin Health & Educational<br>Facilities Authority, Refunding RB,<br>Froedtert & Community Health Inc.,<br>5.25%, 4/01/39 |              |               |
|   | 1,430        | 1,521,675     |
| <b>Total Municipal Bonds Transferred to Tender Option<br/>Bond (TOB) Trusts 39.8%</b>   |              | 142,291,297   |
| <b>Total Long-Term Investments<br/>(Cost \$501,487,864) 153.4%</b>  |              | 548,566,307   |
| <b>Short-Term Securities</b>  |              | <b>Shares</b> |
| FFI Institutional Tax-Exempt Fund,<br>0.01% (e)(f)  |              | 14,467,795    |
| <b>Total Short-Term Securities<br/>(Cost \$14,467,795) 4.0%</b>   |              | 14,467,795    |

Schedule of Investments (continued)

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

|   | Value          |
|---|----------------|
| <b>Total Investments (Cost - \$515,955,659*) 157.4%</b>         | \$ 563,034,102 |
| <b>Other Assets Less Liabilities 1.5%</b>                       | 5,457,973      |
| <b>Liability for TOB Trust Certificates, Including Interest</b> |                |
| <b>Expense and Fees Payable (19.1)%</b>                         | (68,308,112)   |
| <b>VRDP Shares, at Liquidation Value (39.8)%</b>                | (142,500,000)  |
| <b>Net Assets 100.0%</b>  | \$ 357,683,963 |

\* As of January 31, 2012, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

|                               |                |
|-------------------------------|----------------|
| Tax Cost                      | \$ 448,177,902 |
| Gross unrealized appreciation | \$ 47,209,538  |
| Gross unrealized depreciation | (635,421)      |
| Net unrealized appreciation   | \$ 46,574,117  |

- (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) 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 bonds transferred to a TOB in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction.
- (e) 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 January 31, 2012 | Income   |
|-----------------------------------|-------------------------------|--------------|---------------------------------|----------|
| FFI Institutional Tax-Exempt Fund | 3,470,954                     | 10,996,841   | 14,467,795                      | \$ 3,117 |

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

**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.

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|         |   |
|---------|---|
| 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.        |
| GARB    | General Airport Revenue Bonds           |
| 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 Financial Guaranty               |
| RB      | Revenue Bonds                           |
| S/F     | Single-Family                           |
| Syncora | Syncora Guarantee                       |

Financial futures contracts sold as of January 31, 2012 were as follows:

| Contracts | Issue                    | Exchange               | Expiration | Notional Value | Unrealized Depreciation |
|-----------|--------------------------|------------------------|------------|----------------|-------------------------|
| 40        | 10-Year US Treasury Note | Chicago Board of Trade | March 2012 | \$ 5,290,000   | \$ (70,076)             |

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

Level 1 unadjusted 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)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. 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 semi-annual report.

## Schedule of Investments (concluded)

BlackRock MuniEnhanced Fund, Inc. (MEN)

The following tables summarize the inputs used as of January 31, 2012 in determining the fair valuation of Fund's investments and derivative financial instruments:

| Valuation Inputs                   | Level 1       | Level 2        | Level 3 | Total          |
|------------------------------------|---------------|----------------|---------|----------------|
| <b>Assets:</b>                     |               |                |         |                |
| Investments:                       |               |                |         |                |
| Long-Term Investments <sup>1</sup> |               | \$ 548,566,307 |         | \$ 548,566,307 |
| Short-Term Securities              | \$ 14,467,795 |                |         | 14,467,795     |
| <b>Total</b>                       | \$ 14,467,795 | \$ 548,566,307 |         | \$ 563,034,102 |

<sup>1</sup> See above Schedule of Investments for values in each state or political subdivision.

| Valuation Inputs                              | Level 1     | Level 2 | Level 3 | Total       |
|---|-------------|---------|---------|-------------|
| Derivative Financial Instruments <sup>2</sup> |             |         |         |             |
| <b>Liabilities:</b>                           |             |         |         |             |
| Interest rate contracts                       | \$ (70,076) |         |         | \$ (70,076) |

<sup>2</sup> 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: March 23, 2012

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: March 23, 2012

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

Date: March 23, 2012

