

Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

BLACKROCK MUNI ENHANCED FUND INC  
Form N-Q  
December 23, 2008

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: Donald C. Burke, Chief Executive  
Officer, BlackRock MuniEnhanced Fund, Inc., 800 Scudders Mill Road,  
Plainsboro, NJ 08536. Mailing address: P.O. Box 9011, Princeton, NJ  
08543-9011

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

Date of fiscal year end: 01/31/2009

Date of reporting period: 08/01/2008 - 10/31/2008

Item 1 - Schedule of Investments

BlackRock MuniEnhanced Fund, Inc.  
Schedule of Investments October 31, 2008 (Unaudited)  
(Percentages shown are based on Net Assets)

State	Municipal Bonds
Alabama - 1.6%	Jefferson County, Alabama, Limited Obligation School Warrants, Series A, 5.50%, 1/01/22 Jefferson County, Alabama, Limited Obligation School Warrants, Series A, 4.75%, 1/01/25
Arizona - 0.6%	Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds 5%, 12/01/37
California - 32.1%	Alameda Corridor Transportation Authority, California, Capital Appreciation Revenue Refunding Bonds, Subordinate Lien, Series A, 5.522%, 10/01/24 (a) Alameda Corridor Transportation Authority, California, Capital Appreciation Revenue Refunding Bonds, Subordinate Lien, Series A, 5.495%, 10/01/25 (a) (b) Anaheim, California, Public Financing Authority, Lease Revenue Bond (Public Improvements Project), Senior Series A, 6%, 9/01/24 (c)

## Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

Antelope Valley, California, Community College District, GO (Election of 2004), Series B, 5.25%, 8/01/39 (d)  
Arcadia, California, Unified School District, GO (Election of 2006) Series A, 4.96%, 8/01/39 (b)(c)  
Cabrillo, California, Community College District, GO (Election of 2006) Series B, 5.20%, 8/01/37 (b)(d)  
California State, GO, Refunding, 5.125%, 6/01/27  
California State, GO, Refunding, 5.125%, 6/01/31  
California State, GO, Refunding, 5.25%, 2/01/33 (e)  
California State Various Purpose, GO, 5.50%, 11/01/33  
California State University, Systemwide Revenue Bonds, Series A, 5%, 11/01/35 (d)(f)  
Chino Valley, California, Unified School District, GO (Election of 2002) Series C, 5.25%, 8/01/30 (d)  
East Side Union High School District, California, Santa Clara County (Election of 2002), Series D, 5%, 8/01/26 (g)  
Fresno, California, Unified School District, GO (Election of 2001), Series E, 5%, 8/01/30 (c)

### 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 list below.

AMT	Alternative Minimum Tax (subject to)
CABS	Certificates of Participation
COP	Certificates of Participation
EDA	Economic Development Authority
GO	General Obligation Bonds
HDA	Housing Development Authority
HFA	Housing Finance Agency
IDA	Industrial Development Authority
IDR	Industrial Development Revenue Bonds
PCR	Pollution Control Revenue Bonds
S/F	Single-Family
SIFMA	Securities Industry and Financial Markets Association

BlackRock MuniEnhanced Fund, Inc.

Schedule of Investments October 31, 2008 (Unaudited)

(Percentages shown are based on Net Assets)

State

Municipal Bonds

Los Angeles, California, Department of Water and Power, Waterworks Revenue Bonds, Series C, 5%, 7/01/29 (d)  
Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Series B-1, 5%, 10/01/29 (d)(f)  
Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Series B-1, 5%, 10/01/36 (d)(f)  
Norco, California, Redevelopment Agency, Tax Allocation Refunding Bonds (Norco Redevelopment Project - Area Number 1), 5.125%, 3/01/30 (d)  
Orange County, California, Sanitation District, COP, 5%, 2/01/33 (d)  
Orange County, California, Sanitation District, COP, Series B, 5%,

Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

2/01/30 (c)  
 Orange County, California, Sanitation District, COP, Series B, 5%,  
 2/01/31 (c)  
 Poway, California, Redevelopment Agency, Tax Allocation Refunding  
 Bonds (Paguay Redevelopment Project), 5.125%, 6/15/33 (a)  
 Redding, California, Electric System, COP, Series A, 5%, 6/01/30 (c)  
 Sacramento, California, Unified School District, GO (Election of 20  
 5%, 7/01/30 (d)  
 Stockton, California, Public Financing Authority, Lease Revenue Bon  
 (Parking & Capital Projects), 5.125%, 9/01/30 (f)  
 Ventura County, California, Community College District, GO (Electio  
 2002), Series B, 5%, 8/01/30 (d)  
 West Basin, California, Municipal Water District, COP, Refunding,  
 Series B, 5%, 8/01/30 (h)  
 West Basin, California, Municipal Water District, COP, Refunding,  
 Series B, 5%, 8/01/31 (h)

-----  
 Colorado - 3.9%

Colorado HFA, Revenue Bonds (S/F Program), AMT, Senior Series A-1,  
 7.40%, 11/01/27  
 Colorado HFA, Revenue Refunding Bonds (S/F Program), AMT,  
 Senior Series A-2, 7.50%, 4/01/31  
 Colorado Health Facilities Authority Revenue Bonds (Catholic Health  
 Initiatives), Series A, 5.50%, 3/01/32 (i)  
 Colorado Health Facilities Authority Revenue Bonds (Covenant  
 Retirement Communities, Inc.), Series A, 5.50%, 12/01/27 (e)  
 Colorado Health Facilities Authority Revenue Bonds (Covenant  
 Retirement Communities, Inc.), Series A, 5.50%, 12/01/33 (e)  
 Denver, Colorado, City and County Airport, Revenue Refunding Bonds,  
 AMT, Series A, 6%, 11/15/18 (a)  
 El Paso County, Colorado, School District Number 49, Falcon, GO,  
 Series A, 6%, 12/01/09 (c) (j)

-----  
 District of Columbia - 3.3%

District of Columbia, Ballpark Revenue Bonds, Series B-1, 5%,  
 2/01/31 (d) (f)  
 -----

BlackRock MuniEnhanced Fund, Inc.

Schedule of Investments October 31, 2008 (Unaudited)

(Percentages shown are based on Net Assets)

State

Municipal Bonds  
 -----

Florida - 4.3%

Broward County, Florida, School Board, COP, Series A, 5.25%,  
 7/01/33 (c)  
 Duval County, Florida, School Board, COP (Master Lease Program), 5%  
 7/01/33 (c)  
 Hillsborough County, Florida, Aviation Authority Revenue Bonds, AMT  
 Series A, 5.375%, 10/01/33 (h)  
 Miami-Dade County, Florida, School Board, COP, Refunding, Series B,  
 5.25%, 5/01/31 (h)  
 Miami, Florida, Special Obligation Revenue Bonds (Street and Sidewa

Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

Improvement Program), 5%, 1/01/37 (d)  
Orange County, Florida, Sales Tax Revenue Refunding Bonds, Series B  
5.125%, 1/01/32 (d) (f)

---

Georgia - 7.0% Atlanta, Georgia, Water and Wastewater Revenue Bonds, 5%,  
11/01/34 (c)  
Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series A, 5%,  
11/01/33 (d)  
Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series A, 5%,  
11/01/39 (d)  
Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25%, 10/01/39 (c)  
Georgia Municipal Electric Authority, Power Revenue Refunding Bonds  
Series EE, 7%, 1/01/25 (a)

---

Illinois - 19.8% Chicago, Illinois, O'Hare International Airport, General Airport Re  
Bonds, Third Lien, AMT, Series B-2, 5.75%, 1/01/23 (c)  
Chicago, Illinois, O'Hare International Airport, General Airport Re  
Bonds, Third Lien, AMT, Series B-2, 6%, 1/01/29 (g)  
Chicago, Illinois, O'Hare International Airport, General Airport Re  
Refunding Bonds, Third Lien, AMT, Series A, 5.75%,  
1/01/21 (d)  
Cook County, Illinois, Capital Improvement, GO, Series C, 5.50%,  
11/15/12 (a) (j)  
Illinois Sports Facilities Authority, State Tax Supported Revenue B  
5.341%, 6/15/30 (a) (b)  
Illinois Sports Facilities Authority, State Tax Supported Revenue B  
5%, 6/15/32 (a)  
Regional Transportation Authority, Illinois, Revenue Bonds, Series  
7.20%, 11/01/20 (a)

---

Louisiana - 6.2% Louisiana Local Government Environmental Facilities and Community  
Development Authority, Revenue Bonds (Capital Projects and Equipmen  
Acquisition Program), Series A, 6.30%, 7/01/30 (a)  
Louisiana State Gas and Fuels Tax Revenue Bonds, Series A, 5%,  
5/01/36 (c)  
Louisiana State Gas and Fuels Tax Revenue Bonds, Series A, 4.75%,  
5/01/39 (c)

BlackRock MuniEnhanced Fund, Inc.  
Schedule of Investments October 31, 2008 (Unaudited)  
(Percentages shown are based on Net Assets)

---

State Municipal Bonds

---

Louisiana State Transportation Authority, Senior Lien Toll Revenue  
Capital Appreciation Bonds, Series B, 5.31%, 12/01/27 (a) (b)  
Rapides Financing Authority, Louisiana, Revenue Bonds (Cleco Power  
LLC Project), AMT, 4.70%, 11/01/36 (a)  
Terrebonne Parish, Louisiana, Hospital Service District Number 1,

## Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

Hospital Revenue Bonds (Terrebonne General Medical Center Project),  
5.50%, 4/01/33 (a)

---

Massachusetts - 5.2%      Massachusetts State, HFA, Rental Housing Mortgage Revenue Bonds,  
AMT, Series F, 5.25%, 1/01/46 (c)  
Massachusetts State, HFA, S/F Housing Revenue Bonds, AMT, Series 12  
4.80%, 12/01/27 (c)  
Massachusetts State Port Authority, Special Facilities Revenue Bond  
(Delta Air Lines, Inc. Project), AMT, Series A, 5.50%, 1/01/16 (a)  
Massachusetts State Port Authority, Special Facilities Revenue Bond  
(Delta Air Lines, Inc. Project), AMT, Series A, 5.50%, 1/01/18 (a)  
Massachusetts State Port Authority, Special Facilities Revenue Bond  
(Delta Air Lines, Inc. Project), AMT, Series A, 5.50%, 1/01/19 (a)

---

Michigan - 5.3%      Detroit, Michigan, Sewage Disposal System, Second Lien Revenue Bond  
Series B, 5%, 7/01/36 (d) (f)  
Detroit, Michigan, Sewage Disposal System, Second Lien Revenue  
Refunding Bonds, Series E, 5.75%, 7/01/31 (f) (k)  
Michigan Higher Education Student Loan Authority, Student Loan  
Revenue Refunding Bonds, AMT, Series XVII-G, 5.20%, 9/01/20 (a)  
Michigan State Strategic Fund, Limited Obligation Revenue Refunding  
Bonds (Detroit Edison Company Pollution Control Project),  
AMT, Series A, 5.50%, 6/01/30 (g)  
Michigan State Strategic Fund, Limited Obligation Revenue Refunding  
Bonds (Detroit Edison Company Pollution Control Project),  
AMT, Series C, 5.65%, 9/01/29 (g)  
Michigan State Strategic Fund, Limited Obligation Revenue Refunding  
Bonds (Detroit Edison Company Pollution Control Project),  
AMT, Series C, 5.45%, 12/15/32 (g)

---

Minnesota - 1.0%      Dakota County, Minnesota, Community Development Agency, S/F  
Mortgage Revenue Bonds (Mortgage-Backed Securities Program),  
Series B, 5.15%, 12/01/38 (l) (m) (n)

---

Nebraska - 0.6%      Washington County, Nebraska, Wastewater Facilities Revenue Bonds  
(Cargill Inc. Project), AMT, 5.90%, 11/01/27

---

BlackRock MuniEnhanced Fund, Inc.  
Schedule of Investments October 31, 2008 (Unaudited)  
(Percentages shown are based on Net Assets)

State      Municipal Bonds

---

Nevada - 3.7%      Carson City, Nevada, Hospital Revenue Bonds (Carson-Tahoe Hospital  
Project), Series A, 5.50%, 9/01/33 (e)  
Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds  
Series A-2, 5%, 7/01/30 (d) (f)  
Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds

## Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

Series A-2, 5%, 7/01/36 (d) (f)

Clark County, Nevada, IDR (Southwest Gas Corporation Project), AMT,

Series A, 4.75%, 9/01/36 (f)

Clark County, Nevada, IDR (Southwest Gas Corporation Project), AMT,

Series D, 5.25%, 3/01/38 (d) (f)

---

New Jersey - 8.3%

New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50%, 6/15/31 (e)

New Jersey EDA, Cigarette Tax Revenue Bonds, 5.75%, 6/15/34 (e)

New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A,  
5.25%, 7/01/31 (d)

New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A,  
5.25%, 7/01/33 (d)

New Jersey EDA, School Facilities Construction Revenue Bonds,  
Series O, 5.125%, 3/01/28

---

New York - 4.0%

Erie County, New York, IDA, School Facility Revenue Bonds (City of  
Buffalo Project), Series A, 5.75%, 5/01/28 (c)

Metropolitan Transportation Authority, New York, Revenue Bonds,  
Series C, 6.50%, 11/15/28

Metropolitan Transportation Authority, New York, Transportation  
Revenue Bonds, Series A, 5%, 11/15/32 (f)

New York City, New York, City Municipal Water Finance Authority,

Water and Sewer System Revenue Bonds, Series A, 5.75%, 6/15/40

Tobacco Settlement Financing Corporation of New York Revenue Bonds,  
Series A-1, 5.25%, 6/01/22 (a)

---

Pennsylvania - 1.0%

Pennsylvania HFA, S/F Mortgage Revenue Refunding Bonds, AMT,  
Series 99A, 5.25%, 10/01/32

Philadelphia, Pennsylvania, School District, GO, Series E, 6%, 9/01/28

---

Rhode Island - 3.2%

Providence, Rhode Island, Public Building Authority, General Revenue  
Bonds, Series A, 6.25%, 12/15/10 (c) (j)

Rhode Island State Economic Development Corporation, Airport Revenue  
Bonds, Series B, 6.50%, 7/01/10 (f) (j)

---

South Carolina - 2.6%

Berkeley County, South Carolina, School District, Installment Lease  
Revenue Bonds (Securing Assets for Education Project), 5.125%,  
12/01/30

Kershaw County, South Carolina, Public Schools Foundation, Installment  
Power Revenue Refunding Bonds, 5%, 12/01/29 (o)

BlackRock MuniEnhanced Fund, Inc.

Schedule of Investments October 31, 2008 (Unaudited)

(Percentages shown are based on Net Assets)

State

Municipal Bonds

Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

---

South Carolina State Public Service Authority, Revenue Refunding Bonds, Series A, 5.50%, 1/01/38

---

Tennessee - 0.9%

Knox County, Tennessee, Health, Educational and Housing Facilities Board, Hospital Facilities Revenue Refunding Bonds (Covenant Health Series A, 5.04%, 1/01/38 (b)  
Tennessee Energy Acquisition Corporation, Gas Revenue Bonds, Series A, 5.25%, 9/01/26

---

Texas - 14.8%

Clear Creek, Texas, Independent School District, GO, Refunding, 5%, 2/15/33  
Dallas-Fort Worth, Texas, International Airport, Joint Revenue Bond AMT, Series B, 6%, 11/01/23 (d)  
Dallas-Fort Worth, Texas, International Airport Revenue Bonds, AMT, Series A, 5.50%, 11/01/33 (d)  
Lewisville, Texas, Independent School District, Capital Appreciation School Building, GO, Refunding, 4.67%, 8/15/24 (b) (d) (f)  
Mansfield, Texas, Independent School District, GO, 5%, 2/15/33  
Matagorda County, Texas, Navigation District Number 1, PCR, Refunding (Central Power and Light Company Project), AMT, 5.20%, 5/01/30 (d)  
North Harris County, Texas, Regional Water Authority, Senior Lien Revenue Bonds, 5.125%, 12/15/35 (d)  
North Texas Tollway Authority, System Revenue Refunding Bonds, First Tier, 5.75%, 1/01/40 (d)  
North Texas Tollway Authority, System Revenue Refunding Bonds, First Tier, Series A, 6%, 1/01/25  
North Texas Tollway Authority, System Revenue Refunding Bonds, First Tier, Series K-1, 5.75%, 1/01/38 (h)  
Texas State Affordable Housing Corporation, S/F Mortgage Revenue Bonds (Professional Educators Home Loan Program), AMT, Series A-1, 5.50%, 12/01/39 (l) (m) (n)  
Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, First Tier, Series A, 5.50%, 8/15/39 (a)

---

Utah - 1.8%

Utah Transit Authority, Sales Tax Revenue Bonds, Series A, 5%, 6/15/36 (c)

---

Vermont - 0.8%

Vermont HFA, S/F Housing Revenue Bonds, AMT, Series 27, 4.85%, 11/01/32 (c)

---

Virginia - 4.4%

Fairfax County, Virginia, EDA, Resource Recovery Revenue Refunding Bonds, AMT, Series A, 6.10%, 2/01/10 (a)

BlackRock MuniEnhanced Fund, Inc.

Schedule of Investments October 31, 2008 (Unaudited)

(Percentages shown are based on Net Assets)

## Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

State	Municipal Bonds
	Halifax County, Virginia, IDA, Exempt Facility Revenue Refunding Bonds (Old Dominion Electric Cooperative Project), AMT, 5.625%, 6/01/28 (c)
Washington - 1.0%	Port of Tacoma, Washington, GO, AMT, Series B, 4.875%, 12/01/38 (h) Snohomish County, Washington, Public Utility District Number 001, Electric Revenue Refunding Bonds, 5.375%, 12/01/09 (c) (j)
Wisconsin - 0.9%	Wisconsin State Health and Educational Facilities Authority Revenue Bonds (Ascension Health), 5%, 11/15/31 (c)
	Total Municipal Bonds - 138.3%
	Municipal Bonds Transferred to Tender Option Bond Trusts (p)
Alabama - 0.5%	University of Alabama, General Revenue Bonds, Series A, 5%, 7/01/34 (d)
California - 1.9%	Anaheim, California, Public Financing Authority, Electric System Distribution Facilities Revenue Bonds, Series A, 5%, 10/01/31 (c) San Diego County, California, Water Authority, Water Revenue Refunding Bonds, COP, Series A, 5%, 5/01/33 (c) Tamalpais, California, Union High School District, GO (Election of 5%, 8/01/28 (c)
Florida - 7.0%	Miami-Dade County, Florida, Aviation Revenue Refunding Bonds (Miami International Airport), AMT, 5%, 10/01/40 (g) Miami-Dade County, Florida, School Board, COP, Refunding, Series B, 5%, 5/01/33 (h)
Georgia - 6.4%	Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series B, 5.25%, 1/01/33 (c)
Illinois - 0.8%	Metropolitan Pier and Exposition Authority, Illinois, Dedicated State Revenue Refunding Bonds (McCormick Place Expansion Project), Series B, 5.75%, 6/15/23 (d)
Massachusetts - 3.9%	Massachusetts State School Building Authority, Dedicated Sales Tax Revenue Bonds, Series A, 5%, 8/15/30 (c)
New Hampshire - 2.8%	New Hampshire Health and Education Facilities Authority Revenue Bonds (Dartmouth-Hitchcock Obligation Group), 5.50%, 8/01/27 (c)
New Jersey - 7.3%	New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50%, 6/15/24 (h) New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50%, 6/15/31 (h)
South Carolina - 5.8%	Charleston Educational Excellence Financing Corporation, South Carolina, Revenue Bonds (Charleston County School District), 5.25%, 12/01/28 (h)

Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

Charleston Educational Excellence Financing Corporation, South Carolina, Revenue Bonds (Charleston County School District), 5.25%, 12/01/29 (h)

BlackRock MuniEnhanced Fund, Inc.  
 Schedule of Investments October 31, 2008 (Unaudited)  
 (Percentages shown are based on Net Assets)

State	Municipal Bonds Transferred to Tender Option Bond Trusts (p)
-----	
	Charleston Educational Excellence Financing Corporation, South Carolina, Revenue Bonds (Charleston County School District), 5.25%, 12/01/30 (h) Scago Educational Facilities Corporation for Pickens County School District, South Carolina, Revenue Bonds, 5%, 12/01/31 (c)
-----	
Virginia - 0.8%	Virginia State, HDA, Commonwealth Mortgage Revenue Bonds, Series H, Sub-Series H-1, 5.35%, 7/01/31 (d)
-----	
Washington - 1.4%	Central Puget Sound Regional Transportation Authority, Washington, Sales and Use Tax Revenue Bonds, Series A, 5%, 11/01/32 (c)
-----	
	Total Municipal Bonds Transferred to Tender Option Bond Trusts - 38.6%
-----	
	Total Long-Term Investments (Cost - \$509,957,282) - 176.9%
-----	
	Short-Term Securities
-----	
	Merrill Lynch Institutional Tax-Exempt Fund, 1.63% (q) (r)
-----	
	Total Short-Term Securities (Cost - \$18,400,000) - 7.2%
-----	
	Total Investments (Cost - \$528,357,282*) - 184.1%
-----	
	Other Assets Less Liabilities - 0.9%
-----	
	Liability for Trust Certificates, Including Interest Expense and Fees Payable - (22.8)%
-----	
	Preferred Shares, at Redemption Value - (62.2*)%
-----	
	Net Assets Applicable to Common Shares - 100.0%

\* The cost and unrealized appreciation (depreciation) of investments as of October 31, 2008, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 466,391,770 =====
----------------	-------------------------

Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

Gross unrealized appreciation	\$ 3,693,827
Gross unrealized depreciation	(55,956,606)
	-----
Net unrealized depreciation	\$ (52,262,779)
	=====

- (a) AMBAC Insured.
- (b) Represents a zero-coupon bond. Rate shown reflects the effective yield at the time of purchase.
- (c) FSA Insured.
- (d) MBIA Insured.
- (e) Radian Insured.
- (f) FGIC Insured.
- (g) XL Capital Insured.
- (h) Assured Guaranty Insured.
- (i) Security is collateralized by Municipal or U.S. Treasury Obligations.
- (j) U.S. 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.
- (k) BHAC Insured.
- (l) GNMA Collateralized.
- (m) FNMA Collateralized.
- (n) FHLMC Collateralized.

BlackRock MuniEnhanced Fund, Inc.  
 Schedule of Investments October 31, 2008 (Unaudited)

- (o) CIFG Insured.
- (p) 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.
- (q) 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
Merrill Lynch Institutional Tax-Exempt Fund	14,181,229	\$ 239,279

- (r) Represents the current yield as of report date.
- o Forward interest rate swaps outstanding as of October 31, 2008 were as follows:

	Notional Amount (000)	Unrealized Appreciation (Depreciation)
Pay a fixed rate of 3.484% and receive a floating rate based on 1-week SIFMA Municipal Swap Index Rate Broker, JPMorgan Chase Expires December 2023	\$ 6,250	\$ 168,569
Pay a fixed rate of 3.764% and receive a floating rate based on 1-week SIFMA Municipal Swap Index Rate		

## Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

Broker, JPMorgan Chase	\$	12,750	(13,260)
Expires November 2028			
Pay a fixed rate of 3.8575% and receive a floating rate based on 1-week SIFMA Municipal Swap Index Rate			
Broker, JPMorgan Chase			
Expires November 2028	\$	7,500	(102,833)
Pay a fixed rate of 3.66% and receive a floating rate based on 1-week SIFMA Municipal Swap Index Rate			
Broker, Citibank NA			
Expires December 2028	\$	5,000	70,890
-----			
Total			\$ 123,366 =====

BlackRock MuniEnhanced Fund, Inc.  
Schedule of Investments October 31, 2008 (Unaudited)

- o Effective February 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:
  - o Level 1 - price quotations in active markets/exchanges for identical securities
  - o Level 2 - other observable inputs (including, but not limited to: quoted prices for 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)
  - o Level 3 - unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including the Fund's own assumption used in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Fund's most recent financial statements as contained in its semi-annual report.

The following table summarizes the inputs used as of October 31, 2008 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Investments in Securities	Other Financial Instruments*
-----		
Level 1	\$ 18,400,000	--
Level 2	453,660,976	\$ 123,366
Level 3	--	--
-----		
Total	\$ 472,060,976	\$ 123,366

Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

=====  
\* Other financial instruments are swaps.

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/ Donald C. Burke

-----  
Donald C. Burke  
Chief Executive Officer of  
BlackRock MuniEnhanced Fund, Inc.

Date: December 19, 2008

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/ Donald C. Burke

-----  
Donald C. Burke  
Chief Executive Officer (principal executive officer) of  
BlackRock MuniEnhanced Fund, Inc.

Date: December 19, 2008

By: /s/ Neal J. Andrews

-----  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock MuniEnhanced Fund, Inc.

Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

Date: December 19, 2008