

Municipalities Meeting Criteria for Determining Serious Financial Problems in Terms of Section 138 & 140 of the MFMA													Q4	2025/26	JUN-26												
MFMA s138 Triggers Q4 2025/26													0%	MFMA s140 Triggers based on Pro-Rata Adjusted Budget Q4 2025/26			0%	MFMA s140 Triggers Based on Full Year Adjusted Budget Q4 2025/26			0%	SoLGF 2023/24					
LEGEND		Number of Municipalities		Failure to make payments as & when due (s138(a)) (90 days >		Operating Deficit > 5% of total direct revenue (s138(d))		Negative / Outstanding Audit (s138(e) & (f))		Negative Cash Position - Two consecutive years (s138(h))		s138 trigger index	s138 Trigger index (Meeting 1 or more Criteria)	Failure to make any other payment > 2% of operating expenditure (s140(2)(c)) Jun-26		s140 trigger index	s140 Trigger index (Meeting 1 or more Criteria)	Failure to make any other payment > 2% of operating expenditure (s140(2)(c)) Jun-26		s140 trigger index	s140 Trigger index (Meeting 1 or more Criteria)	Financial Distress	Financial Distress	Financial Distress Trigger Index			
No Triggers		Meeting One or More Triggers Based on Adopted Budget																									
1 Trigger																											
2 Triggers																											
3 & 4 Triggers		222 86.4%				2023/24		2024/25 Actual 2025/26 YTD					82.1%	ESKOM > 2% Opex Water Boards > 2% Opex Total creditors > 2% Opex		55.3%		ESKOM > 2% Opex Water Boards > 2% Opex Total creditors > 2% Opex		56.0%				63.0%			
Cat	Code	Name	No of	CAP	CAT	170	84	117	28	211	211		100	71	115	142	142	101	72	115	144	144		162	162		
EASTERN CAPE																											
A	BUF	Buffalo City	1	H	A	TRUE	TRUE	TRUE	-	75%	1	-	-	-	-	0%	-	-	-	-	0%	-	-	-	-		
A	NMA	Nelson Mandela Bay	2	H	A	TRUE	-	TRUE	-	50%	1	-	-	TRUE	33%	1	-	-	TRUE	33%	1	-	-	-	-		
B	EC101	Dr Beyers Naude	3	L	B3	TRUE	TRUE	-	TRUE	-	50%	1	TRUE	-	NO REPORTING	33%	1	TRUE	-	NO REPORTING	33%	1	Financial Distress	TRUE	1		
B	EC102	Blue Crane Route	3	L	B3	TRUE	TRUE	-	TRUE	-	75%	1	TRUE	-	-	33%	1	TRUE	-	-	33%	1	Financial Distress	TRUE	1		
B	EC104	Makana	3	M	B2	TRUE	-	TRUE	-	50%	1	TRUE	TRUE	TRUE	TRUE	100%	1	TRUE	TRUE	TRUE	100%	1	Financial Distress	TRUE	1		
B	EC105	Ndlambe	1	L	B3	-	-	-	-	0%	-	-	-	-	-	0%	-	-	-	-	0%	-	Financial Distress	TRUE	1		
B	EC106	Sundays River Valley	3	M	B3	TRUE	-	TRUE	-	50%	1	TRUE	TRUE	TRUE	TRUE	100%	1	TRUE	TRUE	TRUE	100%	1	Financial Distress	TRUE	1		
B	EC108	Kouga	2	M	B3	TRUE	-	-	-	25%	1	-	-	NO REPORTING	0%	-	-	-	NO REPORTING	0%	-	Financial Distress	TRUE	1	1		
B	EC109	Kou-Kamma	2	M	B3	TRUE	-	TRUE	-	50%	1	-	-	TRUE	33%	1	-	-	TRUE	33%	1	Financial Distress	TRUE	1	1		
C	DC10	Sarah Baartman	-	M	C1	NO REPORTING	-	-	-	0%	-	NO ELECT FUNCTION	-	NO REPORTING	0%	-	NO ELECT FUNCTION	-	NO REPORTING	0%	-	-	-	-	-		
B	EC121	Mbashe	-	L	B4	-	-	-	-	0%	-	-	-	-	-	0%	-	-	-	-	0%	-	-	-	-		
B	EC122	Mquma	1	M	B4	-	TRUE	-	-	25%	1	-	-	-	-	0%	-	-	-	-	0%	-	-	-	-		
B	EC123	Great Kei	2	L	B3	TRUE	-	-	-	25%	1	-	-	TRUE	33%	1	-	-	-	TRUE	33%	1	Financial Distress	TRUE	1		
B	EC124	Amahlathi	3	L	B3	TRUE	-	-	-	25%	1	TRUE	-	TRUE	67%	1	TRUE	-	TRUE	67%	1	Financial Distress	TRUE	1	1		
B	EC126	Ngqushwa	1	M	B4	-	TRUE	-	TRUE	50%	1	-	-	-	-	0%	-	-	-	-	0%	-	-	Financial Distress	TRUE	1	
B	EC129	Raymond Mhlaba	3	L	B3	TRUE	-	TRUE	-	50%	1	TRUE	-	TRUE	67%	1	TRUE	-	TRUE	67%	1	Financial Distress	TRUE	1	1		
C	DC12	Amathole	3	H	C2	TRUE	-	TRUE	-	50%	1	-	TRUE	TRUE	TRUE	67%	1	-	TRUE	TRUE	67%	1	Financial Distress	TRUE	1		
B	EC131	Inxuba Yethemba	3	L	B3	TRUE	TRUE	-	-	50%	1	TRUE	-	TRUE	67%	1	TRUE	-	TRUE	67%	1	Financial Distress	TRUE	1	1		
B	EC135	Intsika Yethu	2	L	B4	-	TRUE	TRUE	TRUE	75%	1	-	-	-	-	0%	-	-	-	-	0%	-	Financial Distress	TRUE	1		
B	EC136	Emalahleni (EC)	1	L	B4	-	TRUE	-	TRUE	50%	1	-	-	-	-	0%	-	-	-	-	0%	-	-	-	-		
B	EC137	Dr. A.B. Xuma	2	M	B4	TRUE	-	-	-	25%	1	-	-	-	-	0%	-	-	-	-	0%	-	Financial Distress	TRUE	1		
B	EC138	Sakhisizwe	1	L	B3	-	-	TRUE	-	25%	1	-	-	-	-	0%	-	-	-	-	0%	-	-	-	-		
B	EC139	Enoch Mphahlele	3	M	B2	TRUE	TRUE	TRUE	-	75%	1	TRUE	-	TRUE	67%	1	TRUE	-	TRUE	67%	1	Financial Distress	TRUE	1	1		
C	DC13	Chris Hani	3	M	C2	TRUE	-	TRUE	-	50%	1	-	TRUE	TRUE	TRUE	67%	1	-	TRUE	TRUE	67%	1	Financial Distress	TRUE	1		
B	EC141	Elundini	3	L	B4	TRUE	TRUE	-	-	50%	1	TRUE	-	-	TRUE	67%	1	TRUE	-	TRUE	67%	1	Financial Distress	TRUE	1		
B	EC142	Sonjica	2	M	B4	TRUE	-	-	-	25%	1	-	-	TRUE	33%	1	-	-	-	TRUE	33%	1	Financial Distress	TRUE	1		
B	EC145	Walter Sisulu	3	L	B3	TRUE	TRUE	-	TRUE	75%	1	TRUE	-	-	TRUE	67%	1	TRUE	-	TRUE	67%	1	Financial Distress	TRUE	1		
C	DC14	Joe Gqabi	2	H	C2	TRUE	-	-	TRUE	50%	1	-	TRUE	TRUE	-	33%	1	-	TRUE	-	33%	1	Financial Distress	TRUE	1		
B	EC153	Nqutha Hills	1	L	B4	-	-	TRUE	-	25%	1	-	-	-	-	0%	-	-	-	-	0%	-	-	-	-		
B	EC154	Port St Johns	1	M	B4	TRUE	-	TRUE	-	75%	1	-	-	-	-	0%	-	-	-	-	0%	-	-	-	-		
B	EC155	Nyandeni	1	L	B4	-	-	TRUE	-	25%	1	-	-	-	-	0%	-	-	-	-	0%	-	-	-	-		
B	EC156	Mhlontlo	1	L	B4	-	TRUE	TRUE	-	50%	1	-	-	-	-	0%	-	-	-	-	0%	-	-	-	-		
B	EC157	King Sabata Dalindyebo	3	H	B2	TRUE	TRUE	-	-	50%	1	TRUE	-	-	-	33%	1	TRUE	-	-	33%	1	Financial Distress	TRUE	1		
C	DC15	O R Tambo	2	H	C2	TRUE	-	-	-	25%	1	-	-	-	-	0%	-	-	-	-	0%	-	Financial Distress	TRUE	1		
B	EC441	Matatiele	2	M	B3	-	-	-	TRUE	25%	1	-	-	-	-	0%	-	TRUE	-	-	33%	1	-	-	-		
B	EC442	Umtzimvubu	-	M	B4	-	-	-	-	0%	-	-	-	-	-	0%	-	-	-	-	0%	-	-	-	-		
B	EC443	Winnie Madikizela-Mandela	-	M	B4	-	-	-	-	0%	-	-	-	-	-	0%	-	-	-	-	0%	-	-	-	-		
B	EC444	Ntabankulu	2	L	B4	-	TRUE	-	-	25%	1	-	-	-	-	0%	-	-	-	-	0%	-	Financial Distress	TRUE	1		
C	DC44	Alfred Nzo	1	M	C2	TRUE	-	-	-	25%	1	-	-	-	-	0%	-	-	-	-	0%	-	-	-	-		
FREE STATE																											
A	MAN	Mangaung	3	H	A	TRUE	-	TRUE	-	50%	1	TRUE	TRUE	TRUE	TRUE	100%	1	TRUE	TRUE	TRUE	100%	1	Financial Distress	TRUE	1		
B	FS161	Letsemeng	3	M	B3	TRUE	-	TRUE	-	50%	1	TRUE	-	TRUE	67%	1	TRUE	-	TRUE	67%	1	Financial Distress	TRUE	1	1		
B	FS162	Koponong	3	M	B3	TRUE	TRUE	-	TRUE	-	75%	1	TRUE	TRUE	TRUE	100%	1	TRUE	TRUE	TRUE	100%	1	Financial Distress	TRUE	1		
B	FS163	Mohokare	3	L	B3	TRUE	TRUE	-	TRUE	-	75%	1	TRUE	-	NO REPORTING	33%	1	TRUE	-	NO REPORTING	33%	1	Financial Distress	TRUE	1		
C	DC16	Xhariep	3	L	C1	TRUE	TRUE	-	-	50%	1	NO ELECT FUNCTION	-	-	TRUE	33%	1	NO ELECT FUNCTION	-	-	33%	1	Financial Distress	TRUE	1		
B	FS181	Masilonyana	3	L	B3	TRUE	-	TRUE	-	50%	1	TRUE	TRUE	TRUE	TRUE	100%	1	TRUE	TRUE	TRUE	100%	1	Financial Distress	TRUE	1		
B	FS182	Tokologo	3	L	B3	TRUE	TRUE	-	TRUE	100%	1	TRUE	TRUE	TRUE	TRUE	100%	1	TRUE	TRUE	TRUE	100%	1	Financial Distress	TRUE	1		
B	FS183	Tswelopele	3	M	B3	TRUE	TRUE	-	-	50%	1	TRUE	TRUE	TRUE	TRUE	100%	1	TRUE	TRUE	TRUE	100%	1	Financial Distress	TRUE	1		
B	FS184	Matjhabeng	3	H	B1	TRUE	-	TRUE	TRUE	75%	1	TRUE	TRUE	TRUE	TRUE	100%	1	TRUE	TRUE	TRUE	100%	1	Financial Distress	TRUE	1		
B	FS185	Nala	3	M	B3	TRUE	-	-	-	50%	1	TRUE	TRUE	TRUE	TRUE	100%	1	TRUE	TRUE	TRUE	100%	1	Financial Distress	TRUE	1		
C	DC18	Lejweleputswa	1	L	C1	-	TRUE	-	-	25%	1	NO ELECT FUNCTION	-	-	-	0%	-	NO ELECT FUNCTION	-	-	0%	-	-	-	-		
B	FS191	Setsotho	1	M	B3	-	TRUE	-	-	25%	1	-	-	-	-	0%	-	-	-	-	0%	-	-	-	-		
B	FS192	Dihlabeng	3	M	B2	TRUE	TRUE	-	TRUE	75%	1	TRUE	TRUE	TRUE	TRUE	100%	1	TRUE	TRUE	TRUE	100%	1	Financial Distress	TRUE	1		
B	FS193	Niketoana	3	M	B3	TRUE	TRUE	-	TRUE	75%	1	TRUE	-	TRUE	67%	1	TRUE	-	TRUE	67%	1	Financial Distress	TRUE	1	1		
B	FS194	Maluti-a-Phofung	3	H	B3	TRUE	TRUE	-	TRUE	75%	1	TRUE	TRUE	TRUE	TRUE	100%	1	TRUE	TRUE	TRUE	100%	1	Financial Distress	TRUE	1		
B	FS195	Phumelela	3	L	B3	TRUE	-	-	-	25%	1	TRUE	TRUE	-	NO REPORTING	67%	1	TRUE	TRUE	-	NO REPORTING	67%	1	Financial Distress	TRUE	1	
B	FS196	Mantsoa	3	M	B3	TRUE	-	TRUE	-	50%	1	TRUE	-	NO REPORTING	33%	1	TRUE	-	-	NO REPORTING	33%	1	Financial Distress	TRUE	1		
C	DC19	Thabo Mofutsanyana	3	L	C1	TRUE	TRUE	-	TRUE	75%	1	NO ELECT FUNCTION	-	TRUE	33%	1	NO ELECT FUNCTION	-	-	-	33%	1	Financial Distress	TRUE	1		
B	FS201	Moghaka	3	H	B2	TRUE	-	TRUE	-	50%	1	TRUE	TRUE	TRUE	TRUE	100%	1	TRUE	TRUE	TRUE	100%	1	Financial Distress	TRUE	1		
B	FS203	Ngwathe	3	M	B3	TRUE	TRUE	-	TRUE	100%	1	TRUE	TRUE	TRUE	TRUE	100%	1	TRUE	TRUE	TRUE	100%	1	Financial Distress	TRUE	1		
B	FS204	Metsemahalo	3	H	B2	TRUE	-	TRUE	-	50%	1	-	TRUE	TRUE	TRUE	67%	1	-	TRUE	TRUE	67%	1	Financial Distress	TRUE	1		
B	FS205	Mafula	3	M	B3	TRUE	-	TRUE	TRUE	75%	1	TRUE	TRUE	TRUE	TRUE	100%	1	TRUE	TRUE	TRUE	100%	1	Financial Distress	TRUE	1		

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MFMA s138 Triggers Q4 2025/26											MFMA s140 Triggers based on Pro-Rata Adjusted Budget Q4 2025/26						MFMA s140 Triggers Based on Full Year Adjusted Budget Q4 2025/26						0%			0%							
LEGEND		Number of Municipalities Meeting One or More Triggers Based on Adopted Budget		Failure to make payments as & when due (s138(a)) (90 days >		Operating Deficit > 5% of total direct revenue (s138(d))		Negative / Outstanding Audit (s138(e) & (f))		Negative Cash Position - Two consecutive years (s138(h))		s138 trigger index		s138 Trigger index (Meeting 1 or more Criteria)		Failure to make any other payment > 2% of operating expenditure (s140(2)(c)) Jun-26		s140 trigger index		s140 Trigger index (Meeting 1 or more Criteria)		Failure to make any other payment > 2% of operating expenditure (s140(2)(c)) Jun-26		s140 trigger index		s140 Trigger index (Meeting 1 or more Criteria)		Financial Distress		Financial Distress		Financial Distress Trigger Index	
No Triggers		1 Trigger		2 Triggers		3 & 4 Triggers		222		86.4%																							

Source
NT LG Database
Sect 41 Reports received from Eskom, Water Boards & DWS