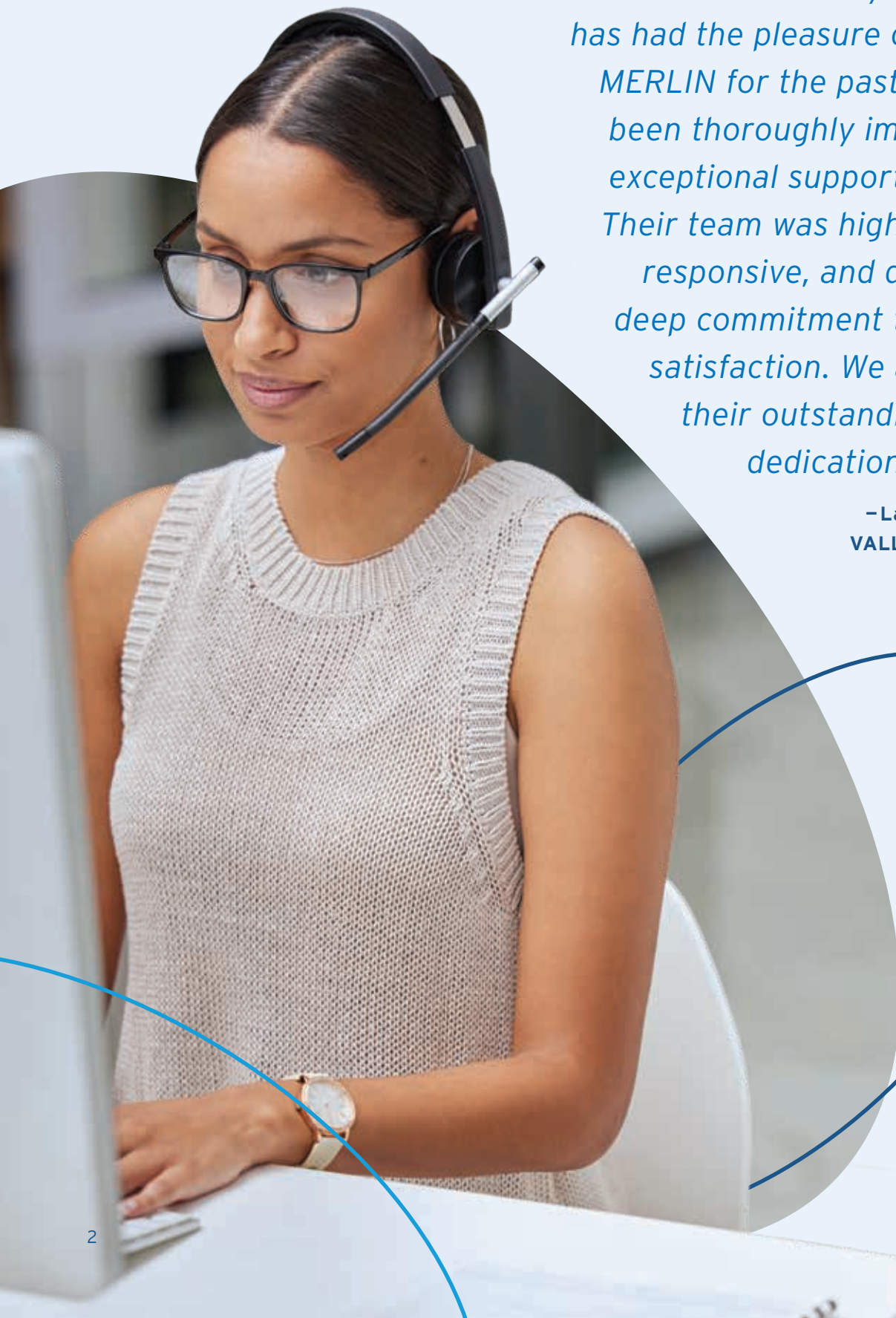


ANNUAL REPORT 2023-2024





“The Red River Valley School Division has had the pleasure of working with MERLIN for the past year and have been thoroughly impressed by the exceptional support they provided. Their team was highly professional, responsive, and demonstrated a deep commitment to ensuring our satisfaction. We are grateful for their outstanding service and dedication to excellence.”

**– Laurie Keck, RED RIVER
VALLEY SCHOOL DIVISION
IT COORDINATOR**

CONTENTS

STAFF AS OF MARCH 31, 2024

Kiley Bender Chief Operating Officer	Diane Karalash Provincial Licensing and Software Specialist
Abdullah Al Noman Consultant, IT Security	Glenn Korman Consultant, Endpoint Technologies
Lionel Folkes Consultant, Microsoft Technologies	Kevin Ross Manager, Information Technology Services
JR de Guzman Office Administrator	Adam Thompson Consultant, Infrastructure Services
Bonnie Gibson Licensing Clerk (Term)	Ryan Ukno - Consultant, Network Technologies
Warren Grieder Consultant, Internet Technologies	Rhonda Williams Controller
Michael Hart Consultant, Microsoft Technologies	
Ryan Hébert Manager, Information & Communication Technologies	

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INDIGENOUS LAND ACKNOWLEDGEMENT

We recognize that Manitoba is on the Treaty Territories and ancestral lands of the Anishinaabeg, Anishininewuk, Dakota Oyate, Denesuline and Nehethowuk peoples.

We acknowledge Manitoba is located on the Homeland of the Red River Métis.

We acknowledge northern Manitoba includes lands that were and are the ancestral lands of the Inuit.

We respect the spirit and intent of Treaties and Treaty Making and remain committed to working in partnership with First Nations, Inuit and Métis people in the spirit of truth, reconciliation and collaboration.

LETTER FROM THE MINISTER

The Honourable Anita R. Neville, P.C., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, MB R3C 0V8

Your Honour:

It is my privilege to present the Annual Report of the Manitoba Education, Research and Learning Information Networks (MERLIN) for the operational year ended March 31, 2024.

Respectfully submitted,

Original signed by

HONOURABLE LISA NAYLOR

Minister of Consumer Protection and Government Services
Minister of Transportation and Infrastructure

LETTER FROM THE DEPUTY MINISTER

The Honourable Lisa Naylor
Minister of Consumer Protection and Government Services
Room 343, Legislative Building
Winnipeg, Manitoba R3C 0V8

Dear Minister Naylor:

For over 28 years, MERLIN's knowledge and application of technology has benefited schools, colleges, and universities in Manitoba. The Agency's broad range of technology services include software licensing and purchasing, consulting, Internet access, technical training, hosting and security services. The Agency's Information Technology (IT) service delivery has evolved over time to meet the advanced and imminent changes of technology that benefit students in learning. MERLIN plays a key role in growing, simplifying technology choices and getting the best value for money for educational organizations with limited budgets.

MERLIN continues to negotiate a single Master Agreement for all K-12 and post-secondary institutions in Manitoba to achieve the highest level of discount available from Microsoft, enabling Manitoba's education community to have the lowest possible pricing ever for Microsoft products - a major accomplishment each year.

MERLIN's Partner Programs, which are renegotiated every 3 years, offer a bundled IT service package that brings major savings, benefits and value for education and post-secondary institutions. Benefits include licensing compliance, best practices, consistency of application and long term technical and financial planning.

I would like to thank all staff for their dedication and effort that keeps contributing to MERLIN's success.

Respectfully submitted,

Original signed by

JOSEPH DUNFORD

Deputy Minister of Consumer Protection and Government Services

MESSAGE FROM THE CHIEF OPERATING OFFICER

On behalf of the MERLIN team, I am pleased to report the achievements of Manitoba Education, Research and Learning Information Networks (MERLIN) for the year ended March 31, 2024.

It has been another exciting year at MERLIN, we have embraced some large new challenges, made exciting progress in several areas, welcomed new team members and said goodbye to some.

MERLIN has always embraced the challenge of keeping ahead of the technology infrastructure needs of the education community. This year was no different. Network usage continues to grow at an incredible pace. And with that, come risks, challenges and some fantastic outcomes for our Manitoba students and teachers.

We have successfully completed more network infrastructure upgrades than I can mention in this short message. This results in an ever-growing capacity available to schools in Manitoba. This has also pushed the expansion of our shared hosted firewall services for schools, colleges and universities in Manitoba.

Negotiating and supplying software licenses to the education community in Manitoba continues to grow year over year as we try to reduce the costs of software and improve access to titles for teachers and students.

New, within the last year, MERLIN has taken on the challenge of managing the MRNet infrastructure, which includes large fast network connections to northern Manitoba (Thompson, The Pas and Churchill) as well as to the Westman area through Brandon University. We have undertaken a full refresh of the MRNet infrastructure to reduce annual costs and improve reliability.

Also new this year, MERLIN has undertaken the management of the Provincial government of Manitoba's wide area network. This adds more than 400 locations to network managed assets of the team. This has been an interesting and challenging endeavour!

We also enjoyed attending events across the province to meet and work with school divisions, teachers and post secondary institutions. Riding the Wave conference in Gimli and BYTE conference in Portage la Prairie were two highlights of the year.

I would like to thank all the educational organizations in Manitoba that have chosen MERLIN as a vehicle for technology shared services and software licensing even though they have many other choices. 28 years of working together is truly a monumental achievement. MERLIN has become one of the largest educational shared services organizations in Canada.

Finally, I would like to thank the staff of MERLIN, past and present, without your hard work and dedication to MERLIN, Manitoba and the education system, none of the great achievements that MERLIN has accomplished would be possible. Our ever-evolving team of dedicated professionals has endeavoured to accomplish goals that, to many, have looked impossible and yet here we are, achieving them every day.

Original signed by

KILEY BENDER

Chief Operating Officer

AGENCY PROFILE

BACKGROUND

Manitoba Education, Research and Learning Information Networks (MERLIN) was established in 1995 as a special operating agency with the Department of Education and Training. It was formed as a facilitating body to coordinate the delivery of technology services to the education community across Manitoba.

MISSION

- To support the use of technology in improving educational services to learners.

MANDATE

- Provide services that support educational institutions in the application of technology tools to enhance and expand program delivery; and
- Provide direction and management in the educational use of networks, acting as a broker of services to meet client needs.





SERVICES

The services provided are allocated into the following sections:

SERVICES	Schools	Dept. of Education	Post-Secondary Institutions	Other Depts./ Agencies
Partner Programs	x		x	
Manitoba Network				x
Consulting	x	x	x	x
Provincial Licensing and Purchasing	x	x	x	x
Shared Services	x	x	x	x
Technical Training Services	x		x	
General Support for the education community	x	x	x	x

PARTNER PROGRAMS:

The Partner Programs are educational specific packages of software and IT services that assist schools and post-secondary institutions in providing a robust, secure and flexible environment to help improve the educational outcomes of learners. These Programs simplify the administration of many licensing and technology services for partners, allowing more resources to be directed at the classroom. The K-12 Partner Program was designed to allow schools to explore online resources and services without adding additional costs or limits on things like Internet bandwidth.

CONSULTING:

This service includes per diem consulting, project consulting and support contracts.

- Design and implementation of on-premise infrastructures
- Design and implementation of Cloud-based technologies such as Microsoft Azure/Office 365
- Advice on the selection of technical equipment and services
- Advice on technologies that support distance education delivery
- Network systems management
- IT security services
- Assistance with development and review of educational technology plans

PROVINCIAL LICENSING AND PURCHASING:

MERLIN negotiates province-wide licensing agreements to assist schools and post-secondary institutions with procuring best of type solutions at pricing that's affordable and equitable across the province regardless of the size of the educational organization. MERLIN also provides licensing consulting and advice that is specifically tailored to schools and other educational institutions in Manitoba.

INTERNET ACCESS:

MERLIN is the Internet gateway for K-12 schools in Manitoba as well as most of the post-secondary institutions. MERLIN manages and maintains, with our partner suppliers, one of the most extensive networks in Manitoba and is consistently one of top three of educational and research networks in terms of data usage in Canada. **More than 200,000 students and educators use MERLIN as their Internet gateway.**

HOSTING:

MERLIN collaborates with the education community to offer a wide array of IT hosting services tailored to the individual needs of these organizations. These hosting services save school divisions and post-secondary institutions administrative costs associated with managing and maintaining their own technology infrastructures. MERLIN hosts services from websites to student records systems, firewalls, as well as many different Virtual workloads and Infrastructure as a Service.

“MERLIN’s ongoing support of Manitoba’s annual Riding the Wave conference has been incredibly valuable through the past decade. MERLIN contributes to the success of our conference in many ways, including hosting conference planning meetings, printing nametags and signage, staffing registration tables and assembling (and contributing to) conference bags for all participants! Furthermore, MERLIN’s affiliations with numerous provincially sanctioned software vendors have enabled us to secure both conference presenters and sponsors in recent years. Thanks, MERLIN, for your long-standing commitment to Manitoba’s Riding the Wave conference!”

– Andy McKiel, RIDING THE WAVE EXECUTIVE COMMITTEE

SECURITY:

MERLIN operates one of the largest security infrastructures in western Canada to protect students and staff from a wide range of Internet related threats. All MERLIN’s security services are designed and deployed to ensure that students and schools have access to security tools and services that are rated amongst the top solutions in the world.

TECHNICAL TRAINING SERVICES:

Customized training for school divisions helps sustain operations and enhance technology infrastructures. Training services are intended to provide education-specific training in areas where it might not normally be available.

GENERAL SUPPORT TO THE EDUCATION COMMUNITY:

MERLIN continues its 28-year history of being the trusted advisor to schools, universities and colleges in Manitoba for all topics related to educational technologies. MERLIN actively participates with educational organizations in Manitoba including Manitoba Association of Educational Technology Leaders (MAETL), Manitoba’s Regional Advanced Research and Education Network (MRnet).

MARKETS

PRIMARY	SECONDARY	TERTIARY
Schools and school divisions (K-12) comprised of 37 school divisions, 697 public schools, 135 independent schools (69 funded and 66 non-funded) and 56 band-operated schools within 63 First Nations and 12 post-secondary institutions.	Adult learning centres, educational organizations, Department of Education	Other government departments and the broader public sector

While MERLIN does not have a monopoly for its services within the province, it has a unique position in the education community, allowing for the provision of an education-specific component to decision-making, provincial coordination, and advisory services. The Agency fosters cooperative relationships with private industry to benefit the education community.

“MERLIN is a direct partner as we work collectively to ‘promote the use of instructional technology at all levels’. Through their software licensing agreement, facilitation of software training sessions, and sponsorship of PD opportunities for educators, they are an integral pillar of our organizations’ success. Their unwavering support has expanded to include facility use during meetings and events which has increased our hybrid experience and allowed us to expand our reach in Manitoba.”

– Kirsten Thompson, PRESIDENT OF MANACE

PERFORMANCE REVIEW

PERFORMANCE TARGETS AND ACCOMPLISHMENTS

MERLIN made a significant impact in many areas during the Fiscal Year 2023/24. Some examples are highlighted below.

MERLIN PARTNER PROGRAMS

The Partner Programs include a collection of commonly used technology services, bringing major cost savings and benefits to all schools and post-secondary institutions in Manitoba.

MERLIN's K-12 Partner Program is renegotiated every three years with its K-12 customers. These K-12 agreements began in 2006, and currently **all of Manitoba's school divisions and half of funded independent schools participate in the Partner Program.**

The Agency also renegotiates the post-secondary institutions Partner Program every three-years. These post-secondary agreements began in 2016 with over half of universities/colleges participating.



PROVINCIAL LICENSING AND PURCHASING

MICROSOFT:

- MERLIN negotiates and administers the Master Agreement for all Microsoft software and services for every educational organization in Manitoba. This provides equity to all organizations regardless of their size and access to the Microsoft suite of software and services for every student, teacher, professor and staff member in Manitoba's educational institutions. This includes Microsoft Cloud-based services like Office 365 and Teams as well as Desktop Operating Systems, database software and other products.
- MERLIN has negotiated a single Master Agreement for all K-12 and post-secondary institutions in Manitoba to achieve the **highest level of discount available from Microsoft, enabling Manitoba schools to have the lowest possible pricing for Microsoft platform products.**
- MERLIN has worked with Microsoft to renew the Shape the Future Program for Manitoba schools. This Program provides schools with a discount on original equipment manufacturer (OEM) desktop licenses.

ADOBE:

- MERLIN continues to work with Adobe on educational pricing on Adobe products for K-12 schools and post-secondary institutions. These products include Adobe's Creative Cloud, Acrobat Pro, Photoshop Elements and Premiere Elements.

EDUCATIONAL CLASSROOM LICENSES:

- MERLIN negotiates and administers the Manitoba School Consortium Purchasing Programs for Mathletics, Mathseeds, ReadingEggs, ExploreLearning GIZMOS and Learning A-Z products. These educational classroom resources are essential for successful student learning. These K-12 student and teacher resources cover subject areas in math, literacy and science.

MULTI FACTOR AUTHENTICATION (MFA)

- MERLIN works with Cisco Duo, BelIMTS and Yubico to provide options for School Divisions to facilitate MFA for their users, as per their insurance company's requirements.

STORMWIND TECHNICAL TRAINING:

- MERLIN works with StormWind to provide access to Unlimited IT and Project Management courses, live instructor led classes, as well as self-paced recorded courses and hands on labs and practice tests. Desktop Application training, Cyber Security training, and Skills Assessment licensing are also available.

TRIMBLE SKETCHUP FOR SCHOOLS:

- MERLIN continues to facilitate the Trimble SketchUp for Schools providing all publicly funded K-12 schools with access to the web-based platform of SketchUp for Schools latest versions at no cost. SketchUp for Schools is a web-based 3D modeling tool.

MATHLETICS USAGE REVIEW 2024

ACTIVITY MASTERY		USAGE	
Curriculum Completed (Activities, Skills Quests, PSRs)	Average Activities Improvement Rate	Total Student Logins	Minutes Online (Curriculum & Fluency)
994,239	30%	427,367	6,484,426
ENROLLMENT			PROFESSIONAL DEVELOPMENT
Total # Mathletics Students	Licensed Teachers	# Divisions Using Mathletics	# PDs Delivered This School Year
24,764	1,319	36/37	66

RAZ-PLUS USAGE REVIEW

MANITOBA EDUCATION RESEARCH AND LEARNING INFORMATION NETWORKS (MERLIN)

4/1/2023 to 3/31/2024

HIGHLIGHT



376,265

eBooks read and heard



22,500

materials printed or projected

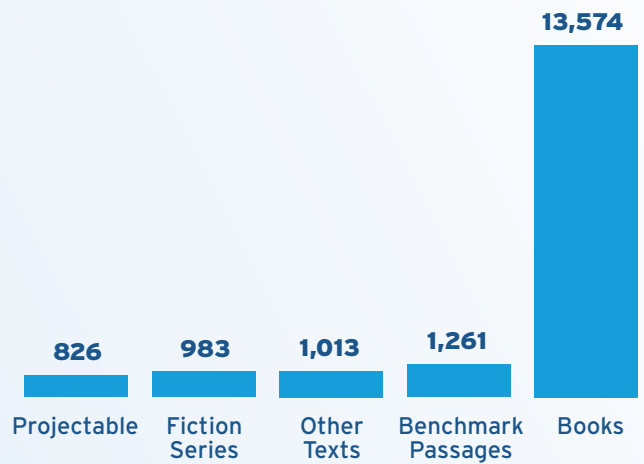


2,265,439

minutes of student engagement across all platforms

TEACHER USAGE

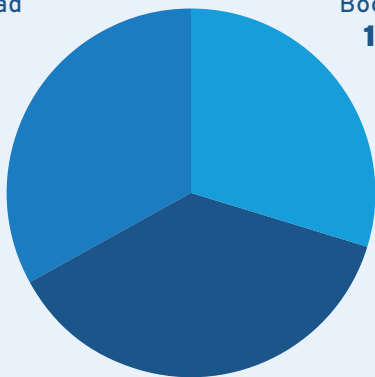
TOP FIVE TEACHER DOWNLOADED RESOURCES



STUDENT DIGITAL USAGE

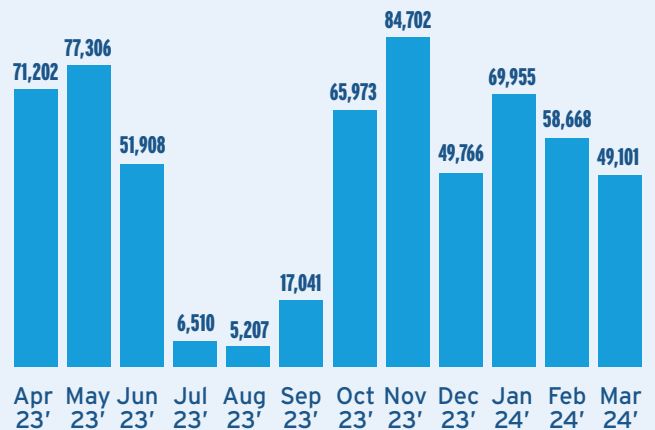
Books Read
197,168

Books Heard
179,097



Quizzes Completed
223,915

STUDENT ACTIVITIES COMPLETED BY MONTH



CONSULTING



MERLIN PROVIDES CONSULTING SUPPORT FOR TWO PROVINCIAL GOVERNMENT DEPARTMENTS

DEPARTMENT OF CONSUMER PROTECTION AND GOVERNMENT SERVICES

MERLIN facilitates Manitoba Network services for education

DEPARTMENT OF EDUCATION AND EARLY CHILDHOOD LEARNING

MERLIN has a Memorandum of Understanding with the Department of Education to provide consulting and IT-related services



THE AGENCY WORKS WITH ALL PUBLIC AND PRIVATE SCHOOLS AND POST-SECONDARY INSTITUTIONS

DESIGN AND IMPLEMENTATION OF:

- Network security and monitoring solutions
- Authentication services including integration with Office 365, G-Suite and other Cloud services
- Collaboration services like email, SharePoint and others
- Network solutions which include security and virtual private networks (VPN), network management, disaster recovery/backup solutions, desktop deployments, application deployments, virtual infrastructure deployments, network connectivity failover strategies and strategic planning



MERLIN PROVIDES FEE-FOR-SERVICE CONSULTING FOR THE EDUCATION COMMUNITY

SOME EXAMPLES:

- Installed and managed security services
- Design and implementation of Office 365 tenant services
- Migration of mail from on premises Exchange to Office 365
- Federated authentication with Google's G-Suite and Office 365
- Reviewed network segmentation and design and implementation of directory services for single user directory
- Software security lifecycle review
- Network security review
- Wide Area Network performance testing and problem resolution
- Design and setup of a network monitoring solution
- Design and implementation of virtual server infrastructure
- MERLIN is often asked to assist school divisions with problem-solving and provides an objective evaluation and recommendations. The Agency's goal is to assist school divisions to become self-sufficient in managing their own infrastructures.

In addition, MERLIN provides consulting services for two educational organizations who offer unique training opportunities for their students:

MANITOBA SCHOOL FOR THE DEAF

The Manitoba School for the Deaf (MSD) is a Pre-Kindergarten to Grade 12 school in Winnipeg offering both bilingual-bicultural and bilingual-bimodal programming. American Sign Language (ASL) and written and spoken English are used and valued in the school. MSD follows the provincial curriculum and provides educational programming to meet the needs of individual students.

MERLIN has an agreement with MSD to provide complete technology support and to upgrade the infrastructure at the school. Some of the services MERLIN provides to MSD are:

- Managing the network infrastructure for the building including wired and wireless infrastructure.
- Managing all desktop and laptop assets and replacement of equipment.
- Managing all software and cloud-based services used by the school.
- MERLIN manages the school's Help Desk, supporting staff and students' technology requests.

MANITOBA EMERGENCY SERVICES COLLEGE

Located in Brandon, the Manitoba Emergency Services College (MESC) is the premier leader in Manitoba for firefighter, paramedic and emergency services training. MESC offers exceptional training opportunities contributing to the building of confident, competent firefighters and paramedics. MERLIN support includes but is not limited to the following technical services to MESC:

- MERLIN manages the college's network, computers, software and printers.
- MERLIN manages the MESC Help Desk, responding to phone calls and emails.

INTERNET ACCESS

MERLIN partners with private sector network providers to get the best value for money solutions to enable Manitoba schools to connect to Internet services. These organizations include:

- BellIMTS
- MRnet
- Rogers
- Manitoba Hydro
- Manitoba Network
- Westman Communication
- Pembina Trails School Division
- Valley Fibre
- Xplore
- Broadband Communications North
- Hutterian Broadband Network Inc.
- Flex Networks

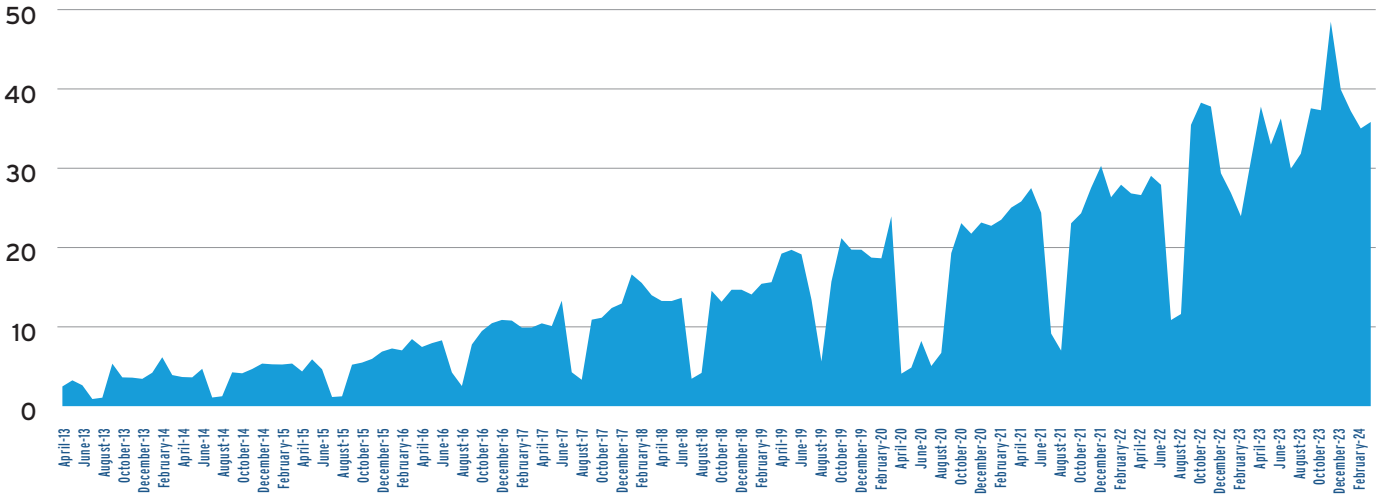
MERLIN works in very close partnership with MRnet (Manitoba's Regional Advanced Research and Education Network), who is Manitoba's connection to the global high-speed R&E networks through the CANARIE National Research and Education Network.

CANARIE also provides high-speed access to popular Internet based resources and content providers such as Microsoft, Google, Amazon and others via the CANARIE's Content Delivery Service (CDS). MERLIN is consistently one of the top three largest users of CANARIE's CDS in Canada.

MERLIN's 40Gbps connection to CANARIE provides access for K-12 schools and post-secondary institutions. Approximately 40% of the traffic from education in Manitoba uses CANARIE's network. This partnership provides significant cost savings as well as shorter, faster paths to services like G-Suite, Office 365, YouTube, Apple and others.

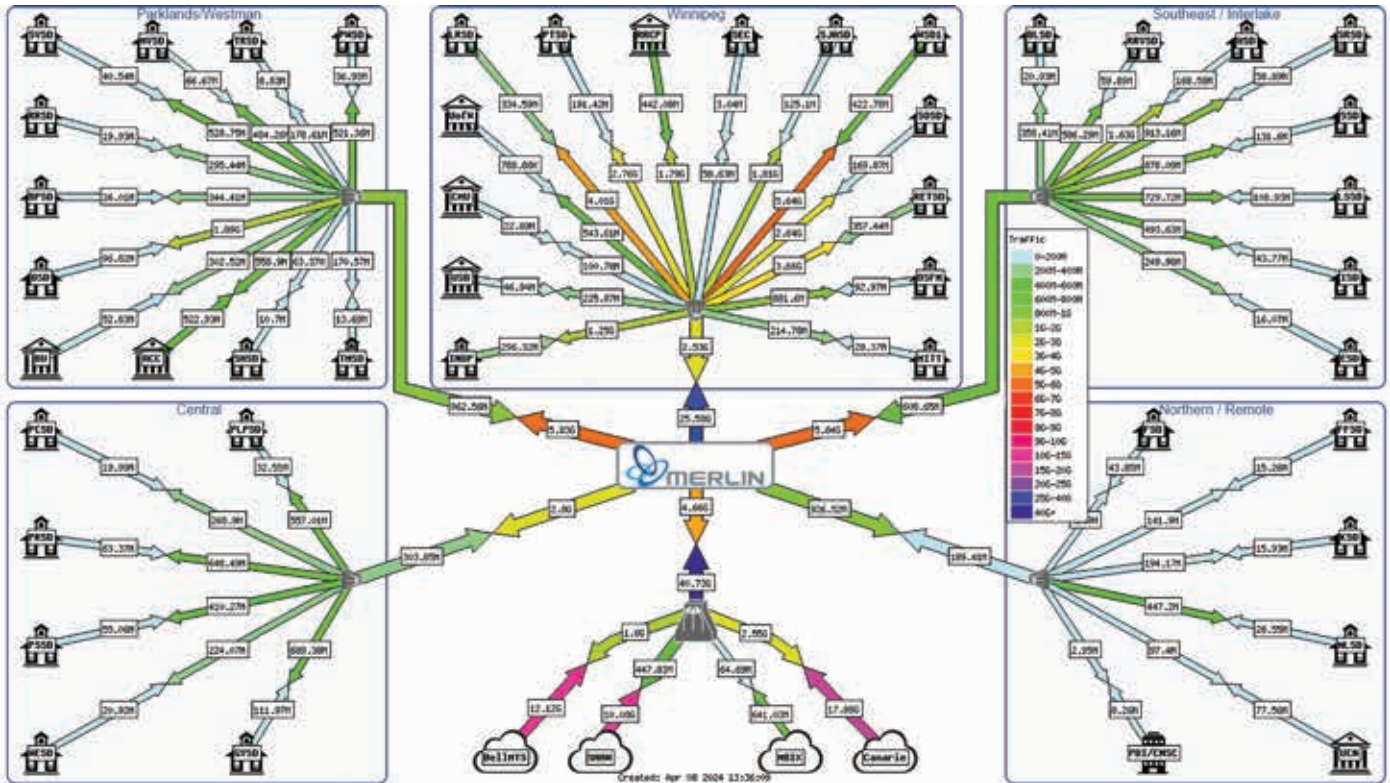
MERLIN's commercial Internet is currently supplied by BellIMTS and Rogers with connections to multiple datacenters, allowing educational institutions to share >60Gbps of capacity. Both IPv4 and IPv6 connectivity is available as part of its Internet gateway services. **MERLIN is one of the largest volume customers of BellIMTS in Manitoba.**

INBOUND TRAFFIC MAX GB/S



INTERNET WEATHER MAP

MERLIN staff maintain a service called the Internet Weather Map. This tool provides a point in time view of school division, post-secondary, and independent school Internet usage across the Province of Manitoba. Usage statistics are updated every five minutes. This can be viewed at <https://observium.merlin.mb.ca/weathermap>.



HOSTING

MERLIN works in partnership with educational institutions in Manitoba to host many different applications and infrastructure components.

APPLICATION AND INFRASTRUCTURE HOSTING:

- **Hosted Microsoft Exchange** - MERLIN manages a large, shared Microsoft Exchange infrastructure to provide school staff with the full features of Exchange, including email, shared calendar, and contacts. The Microsoft Outlook client (Win/Mac), a browser-based web mail interface, as well as Active Sync compatible mobile devices are supported.
- **Off-Site Backup Storage service** - This service provides flexible access to an off-site storage target in MERLIN's datacenter to be used for client backup data storage. Storage methods are available as required by the client's preferred data transfer modality/software.
- **Microsoft 365 / Google Workspaces Tenant Data Backup Service** - This service allows clients to backup and archive various types of data stored in M365 / Google cloud services to MERLIN's datacenter. This data can include mailbox data and remote file storage data, as well as other related cloud service data.
- **Hosted Infrastructure as a Service (IaaS)** - As part of MERLIN's IaaS service we provide clients with a hosted virtual environment including virtual server provisioning, server management, performance tiered storage, and backup services. Benefits to clients include server infrastructure and licensing cost-savings, as well as efficiencies with redundancy and fault tolerance. MERLIN is currently hosting over 1100 virtual machines (up from 617 last fiscal year) for 28 educational organizations in our infrastructure.
- **Web and Public Domain Name System (DNS) Hosting Service** - MERLIN houses, serves, and maintains websites including server space, web services, and file maintenance for websites controlled by clients that do not have their own servers. Currently, **MERLIN hosts 41 websites, as well as DNS hosting for 108 primary and 20 secondary domain names, 39 primary reverse zones and 1 secondary reverse zone.**
- **Email list server** - This electronic mail discussion list gives each mailing list a unique web page and allows users to subscribe, unsubscribe and change their account options over the web. Currently, MERLIN maintains 67 lists.
- **Other Hosting Services** - Through hosting services for the Department of Education, school divisions also benefit from the following initiatives:
 - **Websites** - MERLIN has been hosting the Department of Education's website since 1996. This currently includes 9,100 web pages (up from 6,282) and 17,512 PDFs (up from 16,420)
 - **Hosted Online Resources for Manitoba Educators (ORME)/Direction des ressources éducatives françaises (DREF) for the Manitoba Education Library systems and associated databases.** Teachers across the province can access these online resources. MERLIN provides ongoing support for the library servers. There are 3 ORME and 7 DREF servers in MERLIN's infrastructure available to staff and Manitoba teachers. These are accessible from the Internet as well as from the Managed Environment.

SECURITY

- **Anti-spam/Anti-virus Email Filtering Service** - All email accounts hosted by MERLIN are scanned for spam and viruses. This service is also available for an annual fee to any school division that runs and maintains its own email server.

Spam continues to be alive and well, albeit in lower volumes than the Agency has seen in past years. **Highly targeted phishing campaigns are the top concern as spammers are utilizing improved techniques for evading IP reputation-based and traditional anti-virus tools.** MERLIN continues to use new and novel methods to keep users from receiving unwanted or malicious email.
- **Distributed Denial of Service (DDoS) Mitigation Service** - All Internet traffic through MERLIN is protected from DDoS attacks. **MERLIN currently sees over 100 Distributed Denial of Service (DDoS) attacks per month.** MERLIN leverages a DDoS Mitigation Service from our Internet Service Provider which continues to be very effective. Tools for DDoS

attack protection and mitigation are also implemented and built into our core networking infrastructure.

- **Web Content Filtering** - MERLIN provides blocking or filtering of undesirable Internet web content. Currently 65 educational organizations are using this service.
- **Proactive Security Scanning** - MERLIN has implemented a number of security scanning tools to actively scan and monitor our education client's public facing service for security vulnerabilities and potential exposure.
- **CanSSOC Threat feed** - MERLIN in collaboration with CANARIE is a participant in the Canadian Shared Security Operations Centre (CanSSOC) project to identify and share security threat intel with institutions across Canada. This threat intel is integrated into MERLIN security services to provide protections to our client.
- **Vulnerability, Anti-virus, and Spyware Protection** - MERLIN provides protection from known

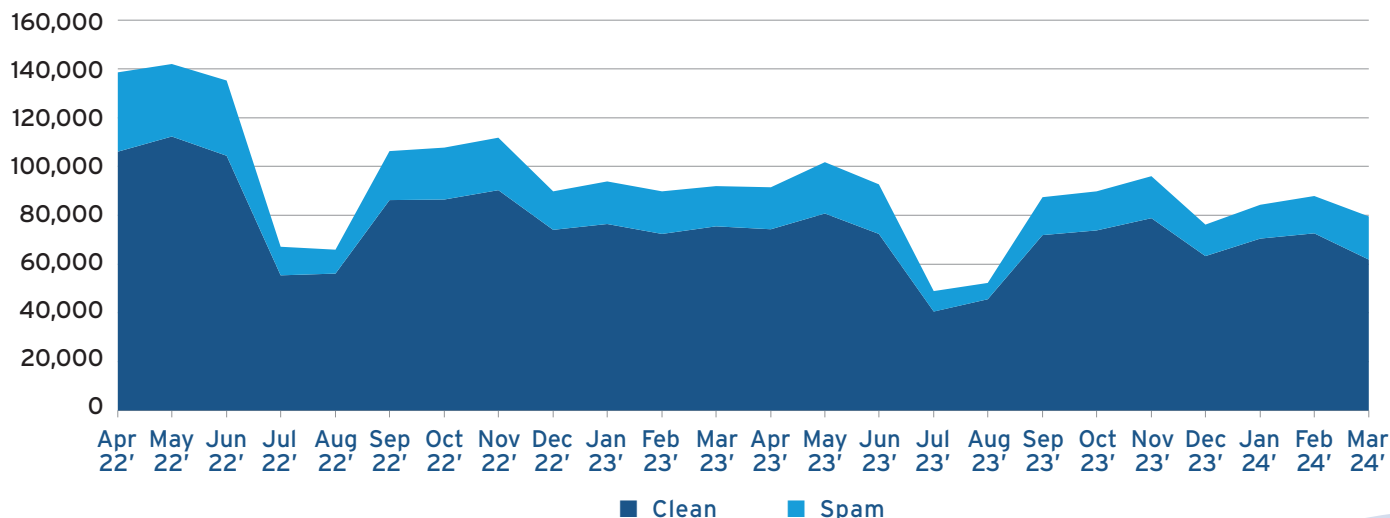
vulnerabilities, spyware, and viruses by utilizing a Palo Alto Networks firewall. Non-hosted firewall client traffic passes through this firewall and is:

- **Scanned for client and server-based vulnerabilities** - Vulnerabilities classified as critical, high, and medium severity are automatically blocked.
- **Scanned for viruses** - Web, FTP, IMAP, POP3, SMTP, and SMB traffic is analyzed. Traffic containing viruses is blocked and the connections are reset.
- **Examined for spyware** - Spyware categorized and classified as critical, high, and medium severity are automatically blocked and connections are reset.

MERLIN also makes use of Palo Alto's Advanced Wildfire service for all client traffic. This service uploads unknown executables and portable apps to its Cloud sandbox. Files are executed and all activity is monitored to determine if the file contains malware or behaves in a malicious way. Future downloads of any files identified as malicious are blocked.

The graph above illustrates the volume of email and spam that the Agency has processed.

MONTHLY EMAIL STATISTICS



“MERLIN has been a longstanding partner of MAETL over the last couple of decades and has provided industry leading solutions to all K-12 school divisions in Manitoba. As we look to the future, this partnership will be the cornerstone to what is possible with technology access, integration and support in education for years to come.”

- **Troy Sigvaldason, Vice-President,**
MANITOBA ASSOCIATION OF EDUCATION TECHNOLOGY LEADERS (MAETL)

- **MERLIN's Hosted Firewall Service** is based on a Palo Alto Networks firewall and currently serves 34 educational organizations. It includes all the protection of MERLIN's vulnerability protection service and provides the following additional benefits:
 - Layer 7 next-generation firewall technology which provides application visibility. Clients can identify and classify application traffic from applications such as Facebook, YouTube, Dropbox, iTunes, X (formerly known as Twitter), FaceTime, Pinterest, Instagram, BitTorrent, and Netflix.
 - User identification through the firewall's User ID functionality. This connects to a division's user directory and provides the ability to apply application control rules to the appropriate users and groups.
 - Application control by user or group which provides flexibility on how, when, and to what destinations they are allowed. Applications can be blocked, allowed, or limited based on the application's category and the educational need.
- Visibility of internal device addresses which increases the client's ability to track down and identify the source of malicious traffic and unwanted applications.
- Content filtering by user or group allows for multiple unique content filtering profiles within a single school or site.
- Secure VPN with MFA access to internal systems for staff.
- Advanced vulnerability, anti-virus, and spyware protection
- **Canadian Internet Registration Authority (CIRA)** - has leveraged their expertise in DNS to offer a suite of cybersecurity services to protect Manitoba educational organizations from cyberattacks. These include Anycast DNS infrastructure, DNS Firewall (enterprise level protection) and Cybersecurity Awareness training platform. Currently, 25 domains are using CIRA's Anycast service through MERLIN.

TECHNICAL TRAINING

Customized training for school divisions helps them sustain operations and enhance their own technology infrastructures and is at a discounted rate with MERLIN's purchasing full sessions. MERLIN has been working with Bioscience Association Manitoba (BAM) to provide various technical training sessions. During the last year MERLIN offered Introduction to Power BI in November and February, cohosted a Cisco/Bell MTS full day session, and hour-long sessions on various technical topics during our Partner Program meetings in November and January. Training opportunities have been booked for Intermediate Power BI, Microsoft Endpoint Configuration Manager, Microsoft Endpoint Administrator. A full day event with Microsoft Education was postponed in March to happen in May 2024.

GENERAL SUPPORT TO THE EDUCATION COMMUNITY

As part of its service portfolio, MERLIN provides general support to the education community, facilitating communication and collaboration and ensuring that MERLIN is on track in its service provision. Some of the areas in which MERLIN provides support include:

PARTNERSHIPS / AFFILIATIONS

Educational Organizations	<ul style="list-style-type: none"> • Manitoba Association of School Superintendents (MASS) • Manitoba Association of School Business Officials (MASBO) • Manitoba Association of Education Technology Leaders (MAETL) • Manitoba First Nations Education Resource Center (MFNERC) • Manitoba Association of Computing Educators (ManACE)
Information Technology Organizations	<ul style="list-style-type: none"> • CANARIE • Manitoba's Regional Advanced Research and Education Network (MRnet) • The Research and Education Networks Information and Analysis (REN-ISAC) • Manitoba Internet Exchange (MBIX) • Canadian Cyber Defense Challenge (CCDC) • Defence Research and Development Canada • Canadian Centre for Cyber Security • Internet Society Manitoba Chapter • Bioscience Association Manitoba

EDUCATION TECHNOLOGY SUPPORT

MERLIN provides technical support on educational concerns ranging from Internet access to network and computer hardware issues responding to a large volume of inquiries.

MERLIN has created a mailing list that schools and post-secondary institutions can subscribe to, to view any planned and unplanned network outages and events along with an 'X' account (formerly known as Twitter) to communicate.

PRESENTATIONS, MEETINGS AND COMMITTEE SUPPORT

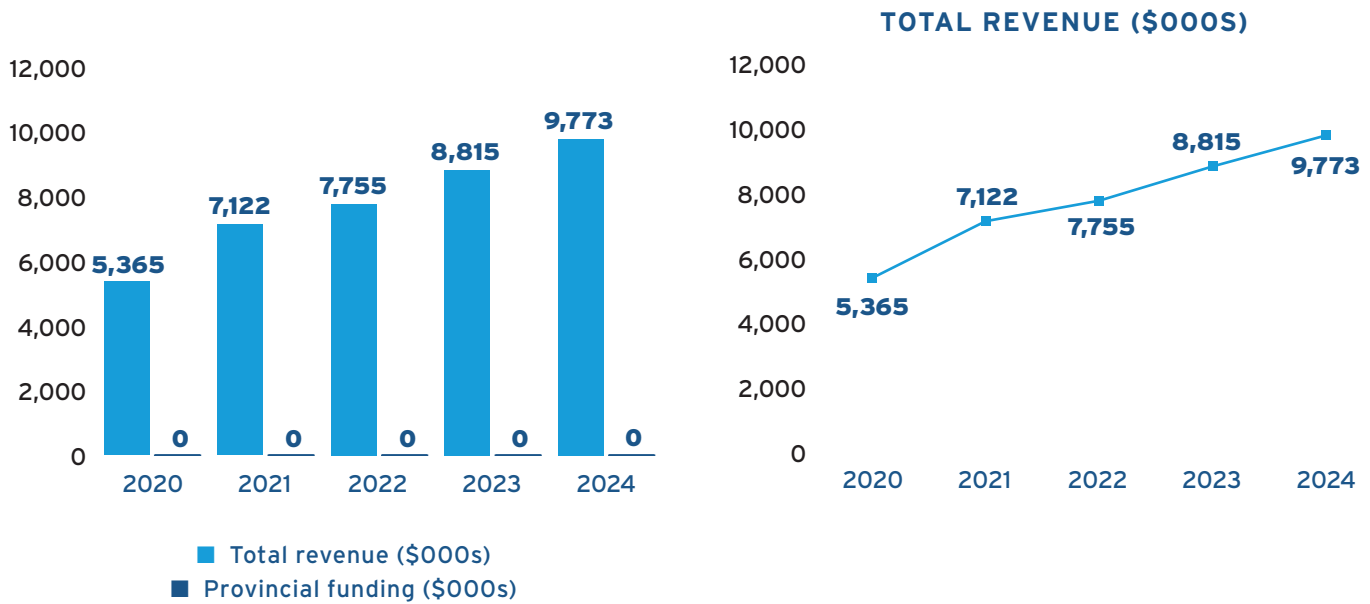
EDUCATIONAL ACTIVITIES

In addition to MERLIN's important role in supporting and providing technology services, MERLIN is also asked to participate on Advisory committees and support educational technology activities (assist in planning conferences, deliver IT presentations and workshops). Some of the events that MERLIN participated in include:

- **MAETL** - Manitoba Association of Educational Technology Leaders - This IT group is committed to supporting and promoting the objectives of its members in the use of ICT in teaching and learning as an integral part of curriculum delivery in the Province of Manitoba. Membership is open to all school divisions and partners with educational organizations (Department of Education, ManACE, MERLIN, etc.) MERLIN staff regularly attend monthly meetings.
- **MRnet** - Manitoba's Regional Advanced Research and Education Network - It is Manitoba's connection for all post-secondary institutions, research centers and K-12 schools to the global high-speed education and research network through the CANARIE Network. MERLIN staff participate on the Executive Committee.
- **RTW** (Riding the Wave Annual Technology Conference) - MERLIN staff participate on the Planning Committee. MERLIN staff presented a technical training session on Endpoint Management and facilitated a session on Information Security.
- **CCDC** (Canadian Cyber Defense Challenge) - This is a non-profit organization designed to promote and educate awareness of Cyber security.
- **BYTE Conference** - MERLIN partnered with and sponsored the annual educational technology conference. The goals of the conference are to bring K-12 teachers, administrators, and clinicians from across Manitoba together to share inspiring messages and experiences and to participate in hands-on learning around technology education.
- **ManACE AGM** - ManACE is a Special Area Group of the Manitoba Teachers' Society. The primary purpose of ManACE is to promote the use of instructional technology at all levels of education. MERLIN supported the ManACE Annual General Meeting and continues to support this group and their mission.

FINANCIAL ANALYSIS

Clients value MERLIN’s services and have increased the use of MERLIN’s service offerings over the last five years. This has had a favourable financial impact as the Agency is now self-sufficient and no longer requires provincial funding.



FUTURE OUTLOOK

Overall, MERLIN’s proposal is to continue to forecast increased demand for the FY 2024/25 in the following, but not limited to, technology services that the Agency delivers to the education community:

- Expansion of the managed firewall service - The service makes available a modern, managed firewall platform to participating customers allowing them to more effectively manage IT security within their organizations at a reduced cost. MERLIN provides central management of the platform to ensure that it evolves to meet ongoing requirements.
- Expansion of the Infrastructure as a Service (IaaS) - MERLIN runs virtual servers within the Agency’s infrastructure for school divisions and post-secondary institutions.
- Expansion of MERLIN’s network and Internet service to accommodate the 50% annual growth in demand from our clients.
- Expansion of shared services with post-secondary clients.
- Expansion of services to Government of Manitoba to support the Manitoba Network
- Expansion of the Manitoba School Consortium Purchasing Programs for educational licenses (assumed after the closure of the Manitoba Learning Resource Centre). These educational classroom resources are essential for successful student learning. These K-12 student and teacher resources cover subject areas in math, literacy, and science.
- Expansion of digital security products to our educational customers. MFA (Multi Factor Authentication) options are being provided by MERLIN to customers to meet their insurance company requirements.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Government of Manitoba

Financial Statements

For the year ended March 31, 2024

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Management's Responsibility for Financial Reporting

The accompanying financial statements are the responsibility of the management of the Manitoba Education, Research and Learning Information Networks (the "Agency") and have been prepared in accordance with Canadian public sector accounting standards. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgment regarding all necessary estimates and all other data available to the date of the audit report.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The responsibility of the external audit is to express an independent opinion on whether the financial statements of the Agency are fairly represented in accordance with Canadian public sector accounting standards. The Independent Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management of the Agency:

Original signed by

Kiley Bender, Chief Operating Officer

Original signed by

Rhonda Williams, Controller

June 5, 2024

Date



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Fax.: 833 888 1678
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BDO Canada LLP
201 Portage Avenue - 26th Floor
Winnipeg MB R3B 3K6 Canada

Independent Auditor's Report

To the Special Operating Agencies Financing Authority

Opinion

We have audited the financial statements of **Manitoba Education, Research and Learning Information Networks, An Agency of the Government of Manitoba** (the "Agency"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, change in net financial asset (net debt), and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2024, and its results of operations, its change in net financial asset (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Agency in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Agency's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Original signed by

Chartered Professional Accountants

Winnipeg, Manitoba
June 6, 2024

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Government of Manitoba Statement of Financial Position

(In Thousands)

March 31	2024	2023
Financial Assets		
Cash and cash equivalents (Note 6)	\$ 1,429	\$ 1,191
Accounts receivable	856	215
Portfolio investment	47	47
	2,332	1,453
Liabilities		
Accounts payable and accruals	338	223
Unearned revenue (Note 9)	1,879	1,379
Employee future benefits (Note 7)	163	115
	2,380	1,717
Net debt	(48)	(264)
Non-financial Assets		
Prepaid expenses	844	1,127
Tangible capital assets (Note 8)	988	740
	1,832	1,867
Accumulated surplus	\$ 1,784	\$ 1,603

Commitment (Note 11)

**MANITOBA EDUCATION, RESEARCH AND LEARNING
INFORMATION NETWORKS**

An Agency of the Government of Manitoba

Statement of Operations

(In Thousands)

For the year ended March 31	2024	2024	2023
	Budget	Actual	Actual
Revenue (Note 9)			
Partner program bundle service	\$ 2,894	\$ 3,011	\$ 2,932
Sale of software and hardware products	2,974	4,751	3,995
Consulting and training services, network and support	1,127	978	1,094
Shared services	900	919	759
Other revenue	3	114	35
	7,898	9,773	8,815
Expense			
Advertising and promotion	12	20	15
Amortization of tangible capital assets	350	377	376
Bad debt	-	-	2
Audit and legal fees	14	14	13
Communication and bandwidth	332	448	377
Cost of purchases for resale	3,969	5,703	5,030
Course delivery	50	34	1
Equipment repair and maintenance	422	710	583
Manitoba Network connections	780	551	709
Occupancy	125	119	116
Office and miscellaneous	114	128	114
Professional development	20	5	3
Purchased services	148	15	2
Salaries and benefits	1,547	1,452	1,448
Travel	15	16	14
	7,898	9,592	8,803
Annual surplus	-	181	12
Accumulated surplus, beginning of year	1,591	1,603	1,591
Accumulated surplus, end of year	\$ 1,591	\$ 1,784	\$ 1,603

**MANITOBA EDUCATION, RESEARCH AND LEARNING
INFORMATION NETWORKS**

**An Agency of the Government of Manitoba
Statement of Change in Net Financial Asset (Net Debt)**
(In Thousands)

For the year ended March 31	2024	2024	2023
	Budget	Actual	Actual
Annual surplus	\$ -	\$ 181	\$ 12
Tangible Capital Assets			
Acquisition of tangible capital assets	(600)	(625)	(381)
Amortization of tangible capital assets	350	377	376
Net acquisition of tangible capital assets	(250)	(248)	(5)
Other Non-financial Assets			
(Increase) decrease in prepaid expenses	-	283	(328)
Decrease in net financial asset (net debt)	(250)	216	(321)
Net financial asset (net debt), beginning of year	7	(264)	57
Net debt, end of year	\$ (243)	\$ (48)	\$ (264)

The accompanying notes are an integral part of these financial statements.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Government of Manitoba

Statement of Cash Flows

(In Thousands)

For the year ended March 31	2024	2023
Cash provided by (applied to):		
Operating Activities		
Annual surplus	\$ 181	\$ 12
Amortization of tangible capital assets	377	376
	558	388
Changes in:		
Accounts receivable	(641)	225
Accounts payable and accruals	115	(67)
Unearned revenue	500	(154)
Employee future benefits	48	(19)
Prepaid expenses	283	(328)
	863	45
Capital Activities		
Acquisition of tangible capital assets	(625)	(381)
	238	(336)
Decrease in cash and cash equivalents		
	1,191	1,527
Cash and cash equivalents, beginning of year		
	1,429	1,191
Cash and cash equivalents, end of year	\$ 1,429	\$ 1,191

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Government of Manitoba

Notes to Financial Statements

(In Thousands)

For the year ended March 31, 2024

1. Nature of Organization

Effective April 1, 1995, Manitoba Education, Research and Learning Information Networks (the "Agency") was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council. The Agency operates as part of the Consumer Protection and Government Services under the general direction of the Assistant Deputy Minister.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from the Agency's operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between SOAFA and the Minister of Consumer Protection and Government Services assigns responsibility to the Agency to manage and account for Agency related assets and operations on behalf of SOAFA.

The Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

2. Basis of Accounting

The financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in the statement of remeasurement gains. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. All financial assets reported at cost are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

**MANITOBA EDUCATION, RESEARCH AND LEARNING
INFORMATION NETWORKS**
An Agency of the Government of Manitoba
Notes to Financial Statements
(In Thousands)

For the year ended March 31, 2024

3. Significant Accounting Policies

a. Revenue

- (i) Partner program bundle service, consulting and training services, network and support and shared services

Revenue from these transactions with performance obligations is recognized over a period of time the organization satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

- (ii) Sale of software and hardware products and other revenue

Sale of software and hardware products is recognized when the goods are shipped or delivered, and title and risk of loss have passed to the customer.

Other revenue is recognized when the rendering of services is completed or substantially completed.

- (iii) Government transfers

Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized.

Government transfers with eligibility criteria but without stipulations are recognized as revenue when the transfer is authorized, and all eligibility criteria have been met.

Government transfers with or without eligibility criteria but with stipulations are recognized as revenue in the period the transfer is authorized, and all eligibility criteria have been met, except when and to the extent that the transfer gives rise to a liability.

b. Expenses

- (i) Accrual Accounting

All expenses incurred for goods and services are recorded on an accrual basis.

- (ii) Government Transfers

Government transfers are recognized as expenses in the period in which the transfers are authorized, and all eligibility criteria have been met.

**MANITOBA EDUCATION, RESEARCH AND LEARNING
INFORMATION NETWORKS**
An Agency of the Government of Manitoba
Notes to Financial Statements
(In Thousands)

For the year ended March 31, 2024

3. Significant Accounting Policies (continued)

c. Financial Assets

(i) Portfolio Investments

Portfolio investments are short-term deposits with original maturities of more than three months. These investments are recognized at cost.

d. Liabilities

Liabilities are present obligations as a result of transactions and events occurring prior to the end of the fiscal year. The settlement of the liabilities will result in the future transfer or use of assets or other form of settlement. Liabilities are recorded at the estimated amount ultimately payable.

e. Non-financial Assets

Non-financial assets do not normally provide resources to discharge liabilities of the Agency. These assets are normally employed to provide future services.

(i) Prepaid Expenses

Prepaid expenses are payments of goods or services which will provide economic benefit in future periods. The prepaid amount is recognized as an expense in the year the goods or services are consumed.

(ii) Tangible Capital Assets

Tangible capital assets are recognized at cost. Cost includes the purchase price as well as other acquisition costs. The cost of tangible capital assets, less any residual, are amortized over their estimated useful lives as follows:

Computer hardware	25%, straight-line
Computer software	25%, straight-line
Equipment and furniture	20%, straight-line
Leaseholds	20%, straight-line

f. Measurement Uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

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Notes to Financial Statements
(In Thousands)

For the year ended March 31, 2024

4. First-time application of the accounting standard

On April 1, 2023, the Agency adopted the public sector accounting standard PS 3400, Revenues. This standard was adopted on a prospective basis. In accordance with the provisions of the standard, there has been no impact on the financial statements for the current period other than disclosure.

5. Financial Instruments and Financial Risk Management

Measurement

Financial instruments are classified into one of the two measurement categories: (a) fair value; or (b) cost or amortized cost.

The Agency records its financial assets at cost, which include cash and cash equivalents, accounts receivable and portfolio investments. The Agency also records its financial liabilities at cost, which include accounts payable.

The Agency did not incur any remeasurement gains and losses during the years ended March 31, 2024 and 2023.

Financial Risk Management - Overview

The Agency has exposure to the following risks from its use of financial instruments: credit risk; liquidity risk; market risk; interest risk; and foreign currency risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Agency to credit risk consist principally of cash and cash equivalents, accounts receivable, and portfolio investments.

The maximum exposure of the Agency to credit risk at March 31 is:

	2024	2023
Cash and cash equivalents	\$ 1,429	\$ 1,191
Accounts receivable	856	215
Portfolio investment	47	47
	\$ 2,332	\$ 1,453
Maximum exposure to credit risk	\$ 2,332	\$ 1,453

**MANITOBA EDUCATION, RESEARCH AND LEARNING
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An Agency of the Government of Manitoba
Notes to Financial Statements
(In Thousands)

For the year ended March 31, 2024

5. Financial Instruments and Financial Risk Management (continued)

Cash and cash equivalents, and portfolio investments: The Agency is not exposed to significant credit risk as these amounts are held by the Minister of Finance.

Accounts receivable: The Agency is not exposed to significant credit risk as the balance is due from a large client base, and payment in full is typically collected when it is due. The Agency manages this credit risk through close monitoring of overdue accounts.

The Agency establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management's estimates and assumptions regarding current market conditions, customer analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

The allowance for doubtful accounts balance at 2024 was nil (\$2 in 2023).

Liquidity Risk

Liquidity risk is the risk that the Agency will not be able to meet its financial obligations as they come due.

The Agency manages liquidity risk by maintaining adequate cash balances and by review from the Province of Manitoba to ensure adequate funding will be received to meet the obligations.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Agency's income or the fair values of its financial instruments.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to funds on deposit, and portfolio investments.

The interest rate risk on funds on deposit is considered to be low because of their short-term nature. The interest rate risk on portfolio investments is considered low as the original deposits are reinvested at rates for investments with similar terms and conditions.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Agency is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in foreign currency.

**MANITOBA EDUCATION, RESEARCH AND LEARNING
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An Agency of the Government of Manitoba
Notes to Financial Statements
(In Thousands)

For the year ended March 31, 2024

6. Cash and Cash Equivalents

The Agency invests all surplus cash in short-term deposits with the Province of Manitoba, which are made up of term deposits with maturities of up to three months.

7. Employee Future Benefits

	2024	2023
Severance benefits	\$ 144	\$ 106
Sick pay benefits	19	9
	\$ 163	\$ 115

Pension Benefits

Employees of the Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board (CSSB). The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the Manitoba Education, Research & Learning Information Network, through the Civil Service Superannuation Fund (CSSF).

Pursuant to an agreement with the Province of Manitoba, the Agency is required to pay to the Province an amount equal to the current pension contributions of their employees. The amount paid for 2024 was \$81 (\$91 in 2023). Under this agreement, the pension liability is the responsibility of the Province, and the Agency has no further pension liability.

Severance Benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

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INFORMATION NETWORKS**
An Agency of the Government of Manitoba
Notes to Financial Statements
(In Thousands)

For the year ended March 31, 2024

7. Employee Future Benefits (continued)

Severance Benefits

An actuarial report was completed for the severance pay liability as of March 31, 2023. The report provides a formula to update the liability on an annual basis. The Agency's actuarially determined net liability for accounting purposes as at March 31, 2024 was \$144 (\$106 in 2023), with an actuarial adjustment being amortized over the 14 and 15-year expected average remaining service life (EARSL) of the employee group.

Significant long-term actuarial assumptions used in the March 31, 2023 valuation, and in the determination of the March 31, 2024 present value of the accrued severance benefit obligation was:

Annual rate of return:	
Discount rate	<u>4.25%</u>
Assumed salary increase rates:	
Annual inflation rate increase	2.00%
Annual general salary increase	<u>1.50%</u>
	3.50%

The severance benefit liability at March 31 includes to following components:

	<u>2024</u>	<u>2023</u>
Accrued benefit liability		
Balance, beginning of year	\$ 162	\$ 180
Actuarial loss	(26)	-
Benefits accrued	11	8
Interest on accrued benefits	6	6
Severance paid	-	(32)
	<u>153</u>	<u>162</u>
Less unamortized actuarial losses	<u>(9)</u>	<u>(56)</u>
Severance benefit liability	<u>\$ 144</u>	<u>\$ 106</u>

**MANITOBA EDUCATION, RESEARCH AND LEARNING
INFORMATION NETWORKS**
An Agency of the Government of Manitoba
Notes to Financial Statements
(In Thousands)

For the year ended March 31, 2024

7. Employee Future Benefits (continued)

Severance Benefits

The total expenses related to severance benefits at March 31 includes the following components:

	2024	2023
Interest on obligation	\$ 6	\$ 6
Current period benefit cost	11	8
Actuarial loss	26	
Amortization of actuarial (gains)/losses over EARSL	(5)	5
Total expense related to severance benefit	\$ 38	\$ 19

Sick Pay Benefits

The Agency provides sick leave benefits for employees that accumulate but do not vest. The accrued benefit obligation related to sick leave entitlement earned by employees is determined using a valuation model developed by an actuary. The valuation is based on employee demographics, sick leave usage and actuarial assumptions. These assumptions include a 4.25% discount rate and a 2.5% annual salary increase estimate.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Government of Manitoba
Notes to Financial Statements
(In Thousands)

For the year ended March 31, 2024

8. Tangible Capital Assets

	2024			
	Opening Balance	Additions	Disposals	Closing Balance
Cost				
Computer hardware	\$ 2,829	\$ 625	\$ (595)	\$ 2,859
Computer software	62	-	(62)	-
Equipment and furniture	48	-	(13)	35
Leaseholds	20	-	-	20
	2,959	625	(670)	2,914
Accumulated Amortization				
Computer hardware	2,091	376	(596)	1,871
Computer software	62	-	(62)	-
Equipment and furniture	46	-	(11)	35
Leaseholds	20	-	-	20
	2,219	376	(669)	1,926
Net book value	\$ 740	\$ 249	\$ (1)	\$ 988
				2023
	Opening Balance	Additions	Disposals	Closing Balance
Cost				
Computer hardware	\$ 2,448	\$ 381	\$ -	\$ 2,829
Computer software	62	-	-	62
Equipment and furniture	48	-	-	48
Leaseholds	20	-	-	20
	2,578	381	-	2,959
Accumulated Amortization				
Computer hardware	1,715	376	-	2,091
Computer software	62	-	-	62
Equipment and furniture	46	-	-	46
Leaseholds	20	-	-	20
	1,843	376	-	2,219
Net book value	\$ 735	\$ 5	\$ -	\$ 740

**MANITOBA EDUCATION, RESEARCH AND LEARNING
INFORMATION NETWORKS**
An Agency of the Government of Manitoba
Notes to Financial Statements
(In Thousands)

For the year ended March 31, 2024

9. Revenue

A breakdown of revenue by source and by type are as follows:

	<u>2024</u>	<u>2023</u>
<u>Recurring Revenues:</u>		
Partner program bundle service	\$ 3,011	\$ 2,932
Sale of software and hardware products	4,751	3,995
Consulting and training services, network and support	978	1,094
Shared services	919	759
<u>Non Recurring Revenues</u>		
Other revenue	114	35
	<u>\$ 9,773</u>	<u>\$ 8,815</u>

At year-end, the Agency has performance obligations related to transactions it has entered into, which have not yet been satisfied. The amount of revenue that will be recognized in future period when the remaining performance obligations are satisfied is as follows:

At March 31, 2024

	<u>2025</u>	<u>2026 & Future</u>	<u>Total</u>
Partner program bundle service	\$ 763	\$ -	\$ 763
Consulting and training services, network and support	508	429	937
Shared services	179	-	179
	<u>\$ 1,450</u>	<u>\$ 429</u>	<u>\$ 1,879</u>

At March 31, 2023

	<u>2024</u>	<u>2025 & Future</u>	<u>Total</u>
Partner program bundle service	\$ 682	\$ -	\$ 682
Consulting and training services, network and support	52	483	535
Shared services	162	-	162
	<u>\$ 896</u>	<u>\$ 483</u>	<u>\$ 1,379</u>

**MANITOBA EDUCATION, RESEARCH AND LEARNING
INFORMATION NETWORKS**
An Agency of the Government of Manitoba
Notes to Financial Statements
(In Thousands)

For the year ended March 31, 2024

10. Designated Assets

The Agency has allocated \$47 (\$47 in 2023) of its portfolio investments as designated assets for cash received from the Province of Manitoba for the vacation entitlements earned by employees of the Agency prior to its designation as an SOA and the severance pay benefits accumulated to March 31, 1998 for certain of their employees. This amount is held in an interest-bearing account until the cash is required to discharge the related liabilities. Any unused balance is reinvested annually.

11. Commitment

The Agency has entered into a lease agreement for the rental of the building with The University of Manitoba until March 31, 2027. The estimated minimum lease payments for each of the next three years are as follows:

2025	79
2026	79
2027	79

"As the Technology Coordinator at Lakeshore School Division, I have had the pleasure of working with MERLIN over the past year. Their expertise and support have been invaluable in several key areas. Firstly, MERLIN assisted us in migrating our firewall to their hosted service. This transition not only resulted in significant cost savings but also freed up our internal resources, allowing us to focus on other critical IT initiatives. Their solution has proven to be robust and reliable, ensuring our network's security without the overhead of managing the infrastructure in-house. In addition to the firewall migration, MERLIN has been instrumental in enhancing our network monitoring and troubleshooting capabilities. Their proactive approach and advanced tools have helped us maintain optimal network performance and quickly resolve any issues that arise, minimizing downtime and maintaining productivity across our teams. MERLIN has provided expert guidance in navigating the complexities of Microsoft licensing. Their insights have enabled us to optimize our software investments and ensure compliance with licensing requirements. They have also advised us on settlement options related to a class action lawsuit, which has been incredibly helpful. Overall, MERLIN's comprehensive services and dedicated support have been a game-changer for our IT operations. Their team's responsiveness and expertise have not only saved us money and time but have also enhanced our IT infrastructure's efficiency and reliability. I highly recommend MERLIN to any organization seeking a trusted partner for their IT needs."

-Lisa Malcolm, Technology Coordinator, LAKESHORE SCHOOL DIVISION



Manitoba Education Research and Learning
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