

2022/23 ANNUAL REPORT





Supporting the use of  
technology in improving  
educational services to  
learners





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*"MERLIN is a valuable and trusted partner for Brandon University. As a small university, MERLIN's services and expertise enhance our team's capacity to store and manage data, procure software, and implement new solutions." —Melanie Sucha, Chief Information Officer, Brandon University*

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## **Staff as at March 31, 2023**

Kiley Bender—Chief Operating Officer  
Alicia Baldwin—Office Manager  
JR de Guzman—Office Administrator  
Bonnie Gibson—Office Manager (Term)  
Warren Grieder - Consultant, Internet Technologies  
Michael Hart - Consultant, Microsoft Technologies  
Ryan Hébert—A/Manager, Information Technology Services  
Diane Karalash—Provincial Licensing and Software Specialist  
Brent McCrea—A/Manager, Information & Communication Technologies  
Adam Thompson—Consultant, Infrastructure Services  
Rhonda Williams—Controller  
  
MERLIN would like to thank the following employee who retired in this fiscal period for their dedicated service:  
John Hiebert



# Affordable technology through great buying power.

In the 2022/2023-year, MERLIN and ManACE have re-established a working partnership that we once enjoyed in the past. The 2022/2023 ManACE executive was lucky to have MERLIN's support this year—MERLIN provided assistance for our “deck the halls” social media challenge (in coordination with MAETL), provided assistance in planning for our SEED grant program for teachers, and facilitated our AGM this year. Without MERLIN's interest and help, ManACE initiatives this past year would not have been as successful or the same.” —Matteo L. Di Muro, President, ManACE

## LETTER FROM THE MINISTER

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

May it Please 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, 2023.

Respectfully submitted,

Original Signed by:

**Honourable James Teitsma**

Minister of Consumer Protection and Government Services  
Minister responsible for the Manitoba Public Service  
Minister responsible for the Public Utilities Board



## LETTER FROM THE DEPUTY MINISTER

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

Dear Minister Teitsma:

For over 27 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. This enables 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, offers a bundled IT service package that brings major savings, benefits and value for Manitoba K-12 Education and post-secondary. 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 staff, I am pleased to report the achievements of Manitoba Education, Research and Learning Information Networks (MERLIN) for the year ended March 31, 2023.

Technology is an integral part of everyday life in Canada and our educational institutions are no different. Use of technology tools and services has exploded in the last 5 years. Learners of all ages and in all geographic locations utilize technology in nearly every single class and topic they study. MERLIN has proudly provided technology shared services to the education community in Manitoba for more than 27 years!

Technology in Education has always provided a promise of access to vast amounts of information, services, and equity of access. With learners transitioning back into on-site learning, the tools and technology that they learned during the pandemic have stayed with us. The opportunity and benefits of this massive change in how and where we learn has transformed Education during the pandemic and into the future.

Connectivity, software, security services and infrastructure provided by MERLIN have been widely adopted by the education community and continue to grow every year. Our team at MERLIN continues to rise to the challenge of delivering these shared services across the province and to institutions of all sizes.

This year we have taken on new and exciting challenges and opportunities with our educational, private sector and government partnerships to meet and exceed the growth of demand for technology shared services. The team at MERLIN has worked closely with the Provincial government and other public sector organizations to expand the access of connectivity solutions across the province. These activities are achieving better options for connectivity and saving millions of dollars a year for the Province of Manitoba, Educational institutions, and others.

There are always more challenges ahead. The team at MERLIN have work tirelessly to meet those challenges. We are working on better security programs to help secure information, more network capacity to keep ahead of the demand, and new software partnerships to enhance learning opportunities for students.

Working collaboratively with other organizations in the Education space in Manitoba, Canada and worldwide, continues to provide significant value for Manitoba schools, school divisions, universities and colleges. MERLIN is consistently recognized as a key player to help facilitate those partnerships and working with others allows all to achieve things that would not be attainable by individual organizations.

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. 27 years of working together is truly a monumental achievement.

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.

Original Signed by:

**Kiley Bender**

Chief Operating Officer





Working collaboratively  
with the Education sector  
in Manitoba



# Agency Profile

*"MERLIN has been a great partner over the past ten years, facilitating the post-secondary education consortium for Microsoft software licenses. The partnership with the University of Manitoba continues to save us on large-volume software purchases and time in the procurement process. The MERLIN team is always willing to support us in our initiatives, and we value this ongoing relationship with them!"* —K-L Holter, Director, Engagement Services, IST, University of Manitoba

## 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	
Shared Services	X	X X	X	X
Technical Training Services	X		X	
General Support for the education community	X	X	X	X



# Experts in Education IT issues and products



**"Having worked with MERLIN for many years they are an invaluable partner for our school division. We have relied on their expertise and advice on countless projects and have benefitted from discounted pricing for software and services. We fully expect to continue this relationship well into the future."** —Raymond Sharp, Director, Information and Communication Technology, Seven Oaks School Division



## PARTNER PROGRAMS

The Partner Programs are educational specific packages of software and IT services that assists 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 breed 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 many different applications from websites to student records systems and firewalls to Infrastructure as a Service.

## SECURITY

MERLIN operates one of the largest security infrastructures in western Canada in order 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 27-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

Schools and school divisions (K-12) comprised of 37 school divisions, over 700 public schools, 129 independent schools and over 50 band-operated schools within 63 First Nations and 12 post-secondary institutions.

### SECONDARY

Adult learning centres, educational organizations, Department of Education

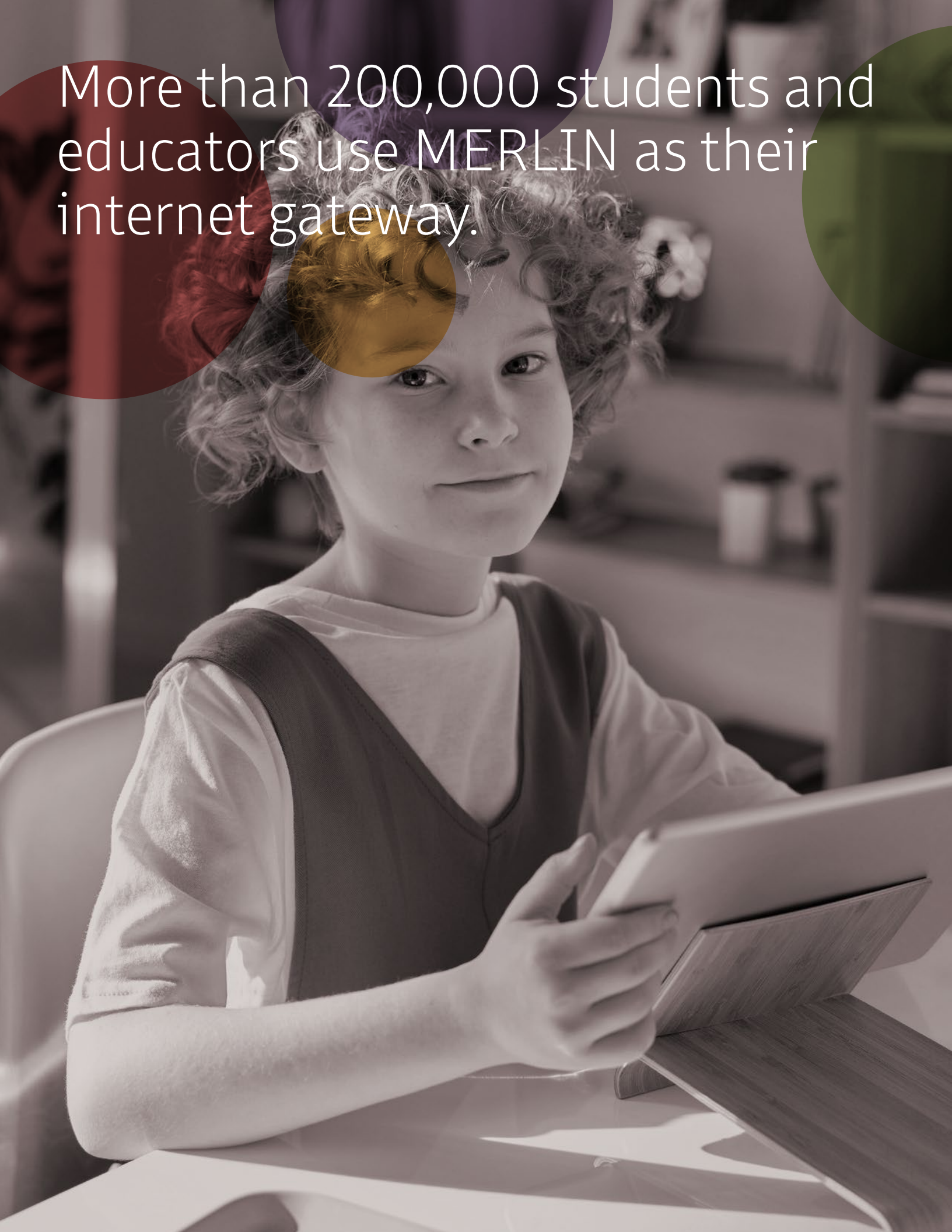
### TERTIARY

Other government departments and the broader public sector

While MERLIN does not have a monopoly for its services within the province, it does have 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 attempts to foster cooperative relationships with private industry to benefit the education community.



More than 200,000 students and educators use MERLIN as their internet gateway.





# Performance Review

*"Merlin's guidance in software licensing has been very helpful in keeping us in compliance and ensuring that we are able to focus our efforts on making technology work for students and staff." —Justin Crich, Manager of Information Technology, Lord Selkirk School Division*

## PERFORMANCE TARGETS AND ACCOMPLISHMENTS

MERLIN MADE A SIGNIFICANT IMPACT IN MANY AREAS DURING THE FISCAL YEAR 2022/23. SOME EXAMPLES ARE HIGHLIGHTED BELOW.

### MERLIN PARTNER PROGRAMS

The Partner Programs includes 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 in its first year of the three-year Agreement beginning July 1st, 2022. All of Manitoba's school divisions and 70% of funded independent schools participate in the Partner Program. The Agency also negotiated the Partner Program three-year Agreement for post-secondary institutions effective April 1st, 2020. This post-secondary Partner Program is in its final year.

### 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 products.
- MERLIN has worked with Microsoft to renew the Shape the Future Program for Manitoba schools. This Program provides schools with a discount on 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 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, BellMTS 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. There is Desktop Application training, Cyber Security training, as well as Skills Assessment licensing 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 2023:

Activity Mastery		Student Information	
Total # Activities Completed	Average Improvement Rate	Total Student Logins	Total Time Online
756,450	21.6%	325,814	93,501h 13m

Enrollment			
Total # Mathletics Students	Total # Mathletics Teachers	# Schools Using Mathletics	# Divisions Using Mathletics
21,819	1,145	204	33/37



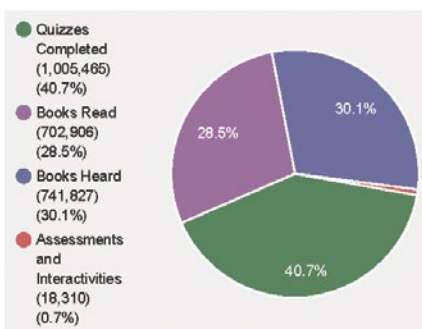
## USAGE REVIEW MERLIN APRIL 2,'22–MARCH 31,'23



### ACCOUNT STATS

Product	Total Licensed Classrooms	Total Student Logins	Total Student Downloads
Raz-Kids	806	673,808	2,468,508

### Student Digital Usage



### Student Activities Completed By Month



## CONSULTING

MERLIN provides consulting support for two provincial departments	<b>Department of Consumer Protection and Government Services—</b> MERLIN facilitates Manitoba Network services for education	
	<b>Department of Education and Early Childhood Learning—</b> MERLIN has a Memorandum of Understanding with the Department of Education which provides a number of consulting and IT-related services	
The Agency has also worked with all public and private schools as well as post-secondary institutions	<b>Design and implementation of:</b> <ul style="list-style-type: none"> <li>• Network security and monitoring solutions</li> <li>• Authentication services including integration with Office 365, G-Suite and other Cloud services</li> <li>• Collaboration services like Email, Instant Messaging, SharePoint and others</li> </ul>	<ul style="list-style-type: none"> <li>• 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</li> </ul>
MERLIN provides fee-for-service consulting for the education community	<b>Some examples:</b> <ul style="list-style-type: none"> <li>• Installed and managed security services</li> <li>• Design and implementation of Office 365 tenant services</li> <li>• Migration of mail from on premises Exchange to Office 365</li> <li>• Federated authentication with Google's G-Suite and Office 365</li> <li>• Reviewed network segmentation and design and implementation of directory services for single user directory</li> <li>• Software security lifecycle review</li> <li>• Network security review</li> </ul>	<ul style="list-style-type: none"> <li>• Wide Area Network performance testing and problem resolution</li> <li>• Design and setup of a network monitoring solution</li> <li>• Design and implementation of virtual server infrastructure</li> <li>• MERLIN is frequently called upon to assist school divisions with problem-solving and provides an objective evaluation as well as recommendations. The Agency's goal is to assist school divisions to become self-sufficient in managing their own infrastructures.</li> </ul>



## INTERNET ACCESS

MERLIN partners with many private sector network providers to provide the best value for money solutions to get schools across the province connected to Internet services. Some of these organizations are:

- BellMTS
- MRnet
- Rogers/Shaw
- Manitoba Hydro
- Manitoba Network
- Westman Communication
- Pembina Trails School Division
- Valley Fibre
- Xplore
- Broadband Communications North

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 education and research networks through the CANARIE National Research and Education Network.

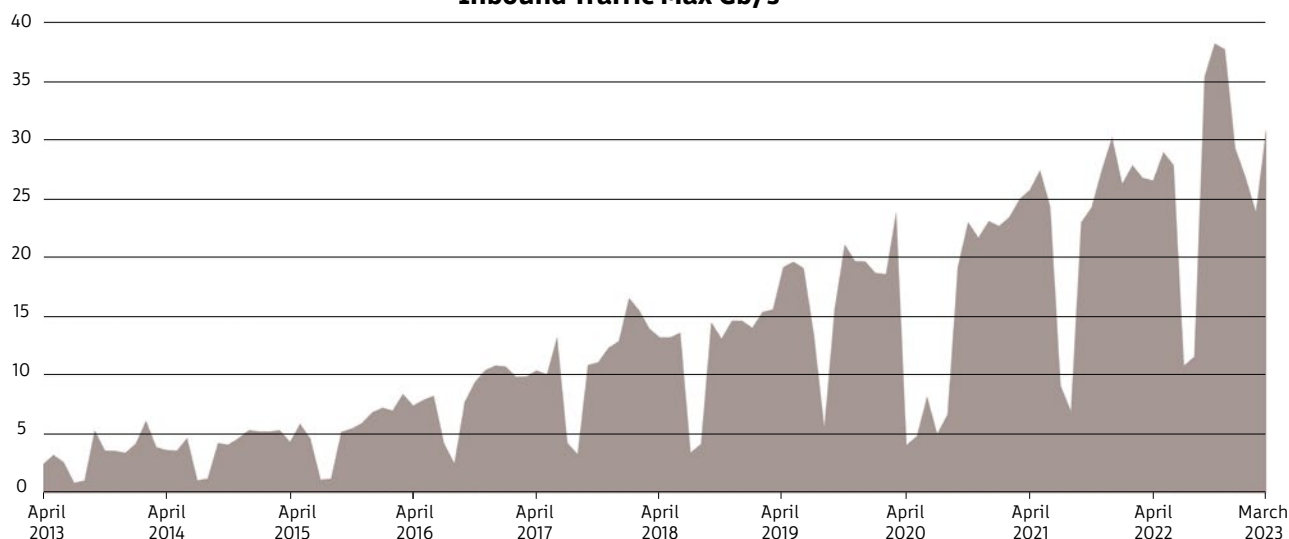
CANARIE provides high-speed access to popular Internet based resources and content providers such as Microsoft, Google, Amazon and others via the CANARIE's Content Delivery Service (CDS). MERLIN is consistently one of the top three largest users of CANARIE's CDS in Canada.

MERLIN's 40Gbps connection to CANARIE provides access for K-12 schools and many 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.

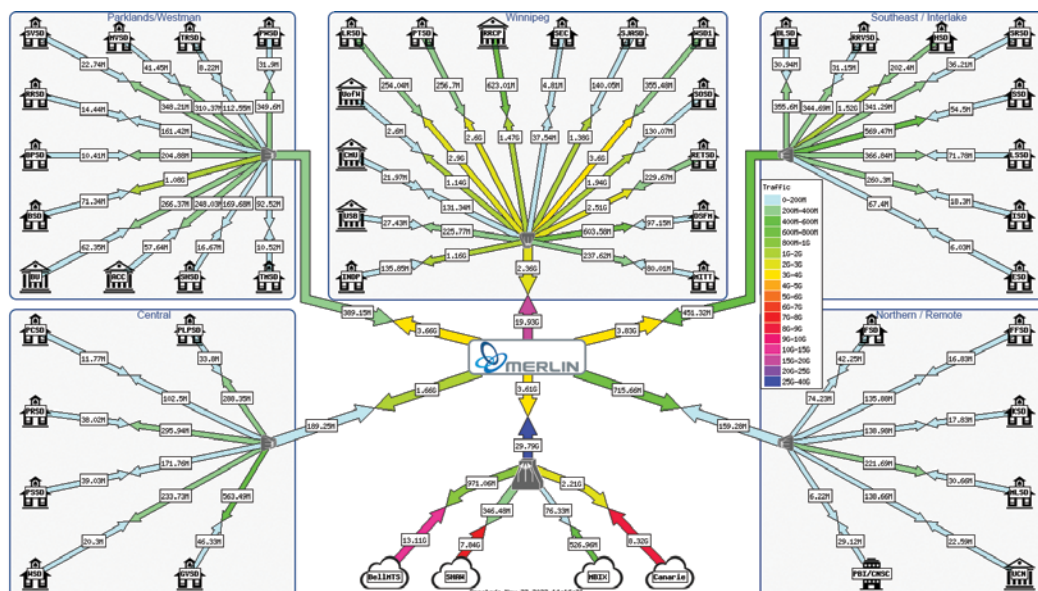
MERLIN's commercial Internet is currently supplied by BellMTS and Rogers/Shaw with connections to multiple locations, allowing educational institutions to share 60Gbps of capacity. MERLIN also offers both IPv4 and IPv6 connectivity services as part of its Internet gateway services. MERLIN is one of the largest volume customers of BellMTS 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.
- **Hosted Microsoft SharePoint**—MERLIN manages several dedicated Microsoft SharePoint deployments hosted in our virtual infrastructure. This service can be used by school staff for collaboration, document management, forms, announcements, calendars, and many other features.
- **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 617 virtual machines (up from 576 last fiscal year) for 31 educational organizations (up from 27 last fiscal year) 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 50 websites, as well as DNS hosting for 150 primary and 16 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 55 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 6,282 web pages (down from 7,335) and 16,420 PDFs (down from 16,890).
- **Hosted ORME/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.

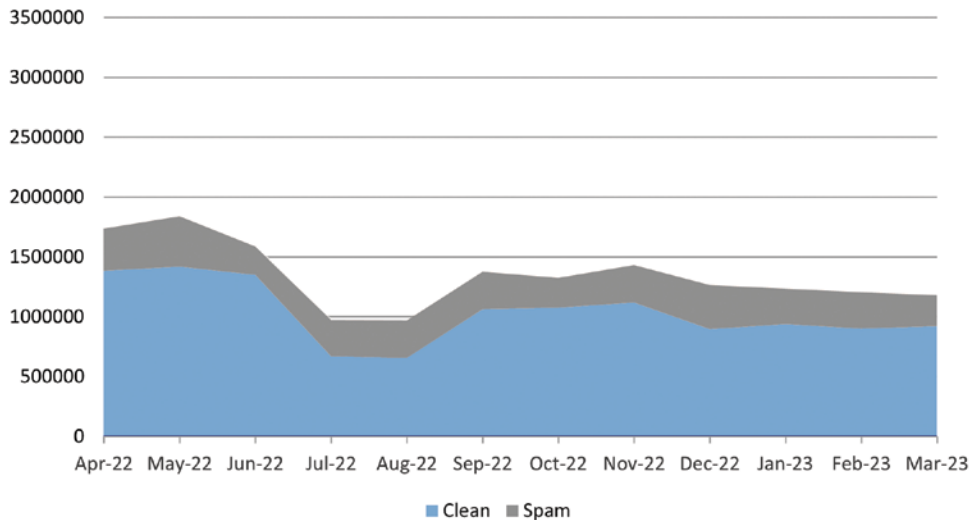
## SECURITY

- **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 about 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.
- **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 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.

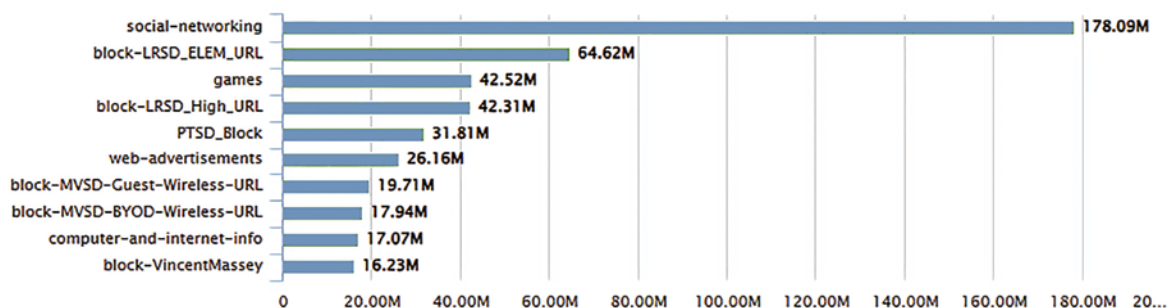


Monthly Email Statistics



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

- **MERLIN's Hosted Firewall Service** is based on a Palo Alto Networks firewall and currently serves 32 (up from 31 ) MERLIN clients. 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, 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 allowing 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
- **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.



This graph illustrates the URL filtering blocks by category as of June 2023



## TECHNICAL TRAINING

Customized training for school divisions helps them sustain operations and enhance their own technology infrastructures.

Coming out of the pandemic, MERLIN began to again offer on-site training sessions. A hybrid model of in-person and virtual attendance to training sessions was offered to our clients. MERLIN did successfully reach a 25+ discount pricing for the education community on a subscription basis through StormWind Studios that offers a wide array of technical online courses. This includes different formats and benefits:

- Live Virtual Training—classes featuring a live instructor
- On-Demand Video Training—Courses feature a recording of the class that can be consumed on-demand
- Course format: courses are divided up to smaller manageable sections
- Labs: unlimited attempts
- Course Materials: many courses include books, study guides, and supplemental materials
- Practice Exams: unlimited attempts
- Mentorship: students have 1 on 1 access to their instructor for questions
- Desktop Application end user licenses now available
- Cyber Security end user training now available
- Skills Assessment add on to Ultimate Bundle licenses now available

## 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 the Agency is on track in its service provision. Some of the areas in which MERLIN provides support include:

### PARTNERSHIPS / AFFILIATIONS

#### Educational Organizations

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- 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

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- 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

## EDUCATION TECHNOLOGY SUPPORT

The Agency 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 a Twitter account to communicate these updates.

## PRESENTATIONS, MEETINGS AND COMMITTEE SUPPORT

### Educational Activities

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

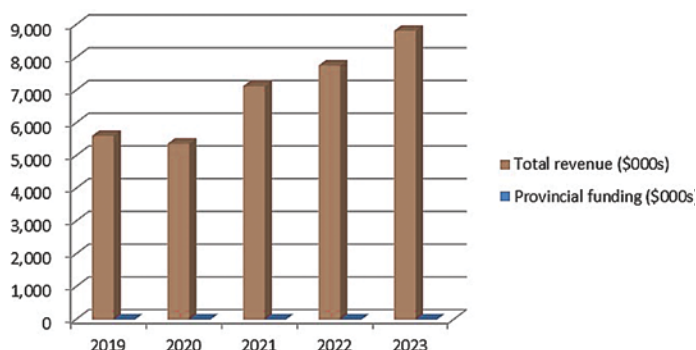
MERLIN has created a mailing list that schools and post-secondary institutions can subscribe to, to view any planned and unplanned network outages and events along with a Twitter account to communicate these updates.

- **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 of Change 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.

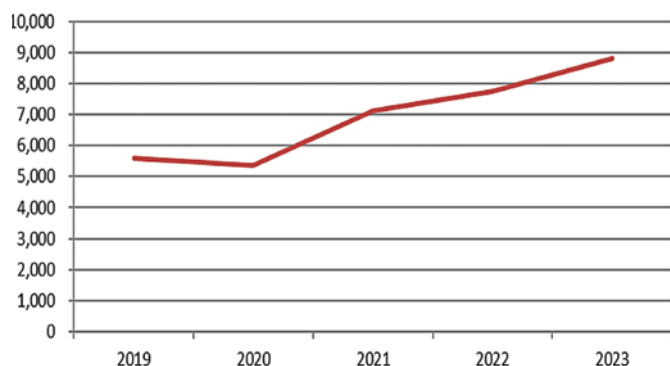


## FINANCIAL ANALYSIS

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



**Total Revenue (\$000s)**



## FUTURE OUTLOOK

Overall, MERLIN's proposal is to continue to forecast increased demand for the FY 2023/24 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 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.

**"MERLIN continues to serve as the technical cornerstone, providing access, security, and support to K-12 Education in Manitoba. Working in collaboration with divisional IT Departments, MERLIN equips local-level IT with the necessary tools to effectively manage and implement new and engaging supportive technologies in classrooms and boardrooms across Manitoba."** —Troy Sigvaldason, IT Director, Prairie Spirit School Division & Vice-President of MAETL



# 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

May 19, 2023





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Winnipeg MB R3B 3K6 Canada

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## Independent Auditor's Report

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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, 2023, 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, 2023, 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.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.





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: BDO Canada LLP

Chartered Professional Accountants  
Winnipeg, Manitoba  
May 23, 2023



## Financial Statements

### Statement of Financial Position

	(In Thousands)	
	March 31	March 31
	2023	2022
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 1,191	\$ 1,527
Accounts receivable	215	440
Portfolio investments	47	47
	<u>1,453</u>	<u>2,014</u>
<b>Liabilities</b>		
Accounts payable and accruals	223	290
Unearned revenue	1,379	1,533
Employee future benefits (Note 6)	115	134
	<u>1,717</u>	<u>1,957</u>
<b>Net financial asset (net debt)</b>	<u>(264)</u>	<u>57</u>
<b>Non-financial Assets</b>		
Prepaid expenses	1,127	799
Tangible capital assets (Note 7)	740	735
	<u>1,867</u>	<u>1,534</u>
<b>Accumulated surplus</b>	<u>\$ 1,603</u>	<u>\$ 1,591</u>

Commitment (Note 9)

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



# Statement of Operations

(In Thousands)

For the year ended March 31

	2023	2023	2022
	Budget	Actual	Actual
<b>Revenue</b>			
Fee for goods and services	\$ 5,709	\$ 8,780	\$ 7,741
Other	2	35	14
	<b>5,711</b>	<b>8,815</b>	<b>7,755</b>
<b>Expense</b>			
Advertising and promotion	12	15	7
Amortization of tangible capital assets	350	376	338
Bad debt	-	2	-
Audit and legal fees	11	13	11
Communication and bandwidth	255	377	306
Cost of purchases for resale	2,406	5,030	4,121
Course delivery	50	1	4
Equipment repair and maintenance	365	583	413
Manitoba Network connections	794	709	782
Occupancy	110	116	113
Office and miscellaneous	74	114	83
Professional development	20	3	10
Purchased services	-	2	6
Salaries and benefits	1,254	1,448	1,286
Travel	10	14	5
	<b>5,711</b>	<b>8,803</b>	<b>7,485</b>
<b>Annual surplus</b>	<b>-</b>	<b>12</b>	<b>270</b>
<b>Accumulated surplus</b> , beginning of year	<b>1,321</b>	<b>1,591</b>	<b>1,321</b>
<b>Accumulated surplus</b> , end of year	<b>\$ 1,321</b>	<b>\$ 1,603</b>	<b>\$ 1,591</b>

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



# Statement of Change in Net Financial Asset (Net Debt)

(In Thousands)

For the year ended March 31	2023	2023	2022
	Budget	Actual	Actual
<b>Annual surplus</b>	\$ -	\$ 12	\$ 270
<b>Tangible Capital Assets</b>			
Acquisition of tangible capital assets	(400)	(381)	(347)
Amortization of tangible capital assets	350	376	338
<b>Net acquisition of tangible capital assets</b>	(50)	(5)	(9)
<b>Other Non-financial Assets</b>			
(Increase) decrease in prepaid expenses	-	(328)	(384)
<b>Decrease in net financial asset (net debt)</b>	(50)	(321)	(123)
<b>Net financial asset (net debt), beginning of year</b>	130	57	180
<b>Net financial asset (net debt), end of year</b>	\$ 80	\$ (264)	\$ 57

# Statement of Cash Flows

(In Thousands)

For the year ended March 31	2023	2022
<b>Cash provided by (applied to):</b>		
<b>Operating Activities</b>		
Annual surplus	\$ 12	\$ 270
Amortization of tangible capital assets	376	338
	388	608
Changes in:		
Accounts receivable	225	(169)
Accounts payable and accruals	(67)	(15)
Unearned revenue	(154)	138
Employee future benefits	(19)	(28)
Prepaid expenses	(328)	(384)
Cash provided by operating activities	45	150
<b>Capital Activities</b>		
Acquisition of tangible capital assets	(381)	(347)
<b>Decrease in cash and cash equivalents</b>	(336)	(197)
<b>Cash and cash equivalents, beginning of year</b>	1,527	1,724
<b>Cash and cash equivalents, end of year</b>	\$ 1,191	\$ 1,527

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



# Notes to Financial Statements

(In Thousands)

For the year ended March 31, 2023

## 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 Labour, 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 Labour, 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.

## 3. Significant Accounting Policies

### A. REVENUE

#### **(i) 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.

#### **(ii) Exchange Transactions**

Product revenue is recognized when the goods are shipped or delivered and title and risk of loss pass to the customer. Service revenue is recognized when the rendering of services is completed or substantially completed.

#### **(iii) Other Revenue**

All other revenues are recorded on an accrual basis.

### 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.

### 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.

## 4. 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, 2023 and 2022.

#### 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:

	2023	2022
Cash and cash equivalents	\$ 1,191	\$ 1,527
Accounts receivable	215	440
Portfolio investments	47	47
Maximum exposure to credit risk	<u>\$ 1,453</u>	<u>\$ 2,014</u>

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 2023 was \$2 (\$Nil in 2022).

#### 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.

## 5. 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.

## 6. Employee Future Benefits

	2023	2022
Severance benefits	\$ 106	\$ 118
Sick pay benefits	9	16
	<u>\$ 115</u>	<u>\$ 134</u>

### 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 2023 was \$91 (\$78 in 2022). 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.

An actuarial report was completed for the severance pay liability as of March 31, 2020. 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, 2023 was \$106 (\$118 in 2022), with an actuarial adjustment being amortized over the 15-year expected average remaining service life (EARSL) of the employee group.

Significant long-term actuarial assumptions used in the March 31, 2020 valuation, and in the determination of the March 31, 2023 present value of the accrued severance benefit obligation was:

Annual rate of return:	
Discount rate	<u>3.20%</u>
Annual salary increase rates:	
Annual general salary increase	1.00%
Annual general salary increase	<u>2.50%</u>
	<u>3.50%</u>

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

	2023	2022
Accrued benefit liability		
Balance, beginning of year	\$ 180	\$ 212
Actuarial loss	-	-
Benefits accrued	8	7
Interest on accrued benefits	6	7
Severance paid	<u>(32)</u>	<u>(46)</u>
Balance, end of year	162	180
Less unamortized actuarial losses	<u>(56)</u>	<u>(62)</u>
Severance benefit liability	<u>\$ 106</u>	<u>\$ 118</u>

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

	2023	2022
Interest on obligation	\$ 6	\$ 7
Current period benefit cost	8	7
Amortization of actuarial losses over EARSL	<u>5</u>	<u>7</u>
Total expense related to severance benefit	<u>\$ 19</u>	<u>\$ 21</u>

### 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 3.5% discount rate and a 2.5% annual salary increase.



## 7. Tangible Capital Assets

	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

	2022			
	Opening Balance	Additions	Disposals	Closing Balance
Cost				
Computer hardware	\$ 2,676	\$ 347	\$ (575)	\$ 2,448
Computer software	62	-	-	62
Equipment and furniture	48	-	-	48
Leaseholds	20	-	-	20
	2,806	347	(575)	2,578
Accumulated Amortization				
Computer hardware	1,956	334	(575)	1,715
Computer software	58	4	-	62
Equipment and furniture	46	-	-	46
Leaseholds	20	-	-	20
	2,080	338	(575)	1,843
Net book value	\$ 726	\$ 9	\$ -	\$ 735

## 8. Designated Assets

The Agency has allocated \$47 (\$47 in 2022) 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.

## 9. Commitments

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 four years are as follows:

2024	\$ 79
2025	79
2026	79
2027	79

## 10 Comparative Figures

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.





Manitoba Education Research and Learning Information Networks (MERLIN), a Special Operating Agency of the Province of Manitoba

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**"Our partnership with MERLIN is paramount to the success of our technical operations at Evergreen School Division. Having access to the hosted infrastructure, services and sound technical advice at affordable costs allows us to continue to successfully maintain and expand services on tight budgets."** —Charlie Marks, IT Consultant, Evergreen School Division