VOYAGER ENTERTAINMENT INTERNATIONAL INC
Form 10-K
March 30, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 2009

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________ to _________

Commission file number: 000-33151

VOYAGER ENTERTAINMENT INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Nevada	54-2110681
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4483 West Reno Avenue, Las Vegas, Nevada	89118
(Address of principal executive offices)	(Zip code)

Registrant's Telephone Number: (702) 221-8070

Securities registered under Section 12(b) of the Act: None

Securities registered under Section 12(g) of the Act: Common Stock, $.001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes [ ] No [X]

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [ ] No [X]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

[ ] Large accelerated filer
[ ] Accelerated filer
[ ] Non-accelerated filer
[X] Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. As of June 30, 2009, the aggregate market value of shares held by non-affiliates (based on the close price on that date of $0.02) was approximately $263,390.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: 149,902,287 shares of common stock as of March 19, 2010.

VOYAGER ENTERTAINMENT INTERNATIONAL, INC.
(A DEVELOPMENT STAGE COMPANY)
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2009

TABLE OF CONTENTS

		Page
PART I		
Item 1.	Business	4
Item 1A.	Risk Factors	7
Item 1B.	Unresolved Staff Comments	9

Item 2. Properties 9
Item 3. Legal Proceedings 9
Item 4. Submission of Matters to a Vote of Security Holders 9

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities 10
Item 6. Selected Financial Data 11
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation 11
Item 7A. Quantitative and Qualitative Disclosures About Market Risk 17
Item 8. Financial Statements and Supplementary Data F-1
Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure 45
Item 9A. Controls and Procedures 45
Item 9B. Other Information 46

PART III

Item 10. Directors and Executive Officers and Corporate Governance 47
Item 11. Executive Compensation 49
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters 51
Item 13. Certain Relationships and Related Transactions, and Director Independence 53
Item 14. Principal Accountant Fees and Services 54

PART IV

Item 15. Exhibits and Financial Statement Schedules 55

SIGNATURES 57

STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Form 10-K contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements are based on certain assumptions and are subject to significant risks and uncertainties. These forward-looking statements are based on management's expectations as of the date hereof, and the Company does not undertake any responsibility to update any of these statements in the future. Actual future performance and results could differ from that contained in or suggested by these forward-looking statements as a result of factors set forth in this Form 10-K (including those sections hereof incorporated by reference from other filings with the Securities and Exchange Commission), in particular as set forth in the "Plan of Operation" under Item 7.

In this filing references to "Company," "we," "our," and/or "us," refers to Voyager Entertainment International, Inc. and, unless the context indicates otherwise, its consolidated subsidiaries.

PART I

ITEM 1. BUSINESS.

HISTORY

Voyager Entertainment International, Inc. (the "Company"), a North Dakota corporation formerly known as Dakota Imaging, Inc., was formed on January 31, 1991. The Company is in the entertainment development business with plans to develop the world's tallest Observation Wheel within the Las Vegas strip area. During April 2002, the Company changed its name from Dakota Imaging, Inc. to Voyager Entertainment International, Inc. and adopted a new fiscal year. The Company's wholly-owned subsidiaries include Voyager Ventures, Inc. ("Ventures"), a Nevada corporation, Outland Development, LLC ("Outland"), a Nevada Limited Liability Corporation, Voyager Entertainment Holdings, Inc. ("VEHI"), a Nevada corporation, and Voyager Viridian, LLC ("Viridian"), a Nevada Limited Liability Corporation. Voyager Ventures, Inc. was a dormant company and was discontinued as of December 31, 2007. Outland Development, LLC has been a dormant company and was discontinued as of June 30, 2009. Voyager Viridian LLC, was formed on August 3, 2009. All organizational costs were paid by the parent.

By written consent dated April 23, 2003, a majority of the Company's stockholders elected to reincorporate the Company in the State of Nevada, pursuant to a reincorporation merger between the Company and its then wholly-owned subsidiary, Voyager Entertainment International, Inc. The reincorporation became effective on June 23, 2003. In connection with the reincorporation, the Company increased its authorized $0.001 par value common stock from 100,000,000 shares to 200,000,000 shares and its authorized Preferred Stock, $0.001 par value, from 25,000,000 shares to 50,000,000 shares.

OUR BUSINESS

Our current business plan is to build multiple observation ferris wheels ("Observation Wheels"). The Company is currently evaluating several locations in Las Vegas, Nevada where the Observation Wheel could be constructed by the Company. If the Company is unsuccessful in obtaining a site and negotiating terms acceptable to both Voyager and a prospective property owner for a Las Vegas location, the Company will be required to identify a location outside of Las Vegas. An observation wheel could be constructed by a competitor before Voyager's Observation Wheel could be built in Las Vegas, forcing our management to focus its efforts elsewhere for a significant amount of time. While there are several locations outside of Las Vegas which are currently proposed, there can be no guarantees that the Company will obtain financing or any definitive agreements for any other locations.

L.V. Voyager Project

For the past 8 years, through its subsidiaries, the Company has extensively planned and/or evaluated the available locations on the Las Vegas Strip as well as other off-strip locations in Las Vegas, Nevada for the construction of the L.V. Voyager Project.

The L.V. Voyager Project is intended to be designed as a visual icon and experience overlooking the "Las Vegas Strip". With 30 vehicles called Orbiters, the L.V. Voyager Project is intended to be a revolving ferris wheel that will overlook the Las Vegas Strip as it revolves higher than a 60-story building at approximately 600 feet. One rotation in an Orbiter will last approximately 27 minutes. Each Orbiter will be controlled by an on-board Navigator, who will be part entertainer and part steward, and who will also be skilled in life-safety and security. The Company has not been able find a suitable location to successfully launch the project.

The L.V. Voyager Project will be owned by the Company; however, it will be designed, developed, built and operated by Voyager Entertainment Holdings, Inc., ("VEHI"), a wholly-owned subsidiary of the Company. VEHI will manage the project

pursuant to a performance-based contract between the Company and VEHI (and an as-yet unidentified partner of the Company). All covenants, restrictions and protocols will be detailed in the performance-based contract.

As the management company, VEHI will be responsible for the design, development, construction, and operation of the L.V. Voyager Project, and will provide the following: concept development, project design, location assessment and acquisition, strategic alliances in both entertainment and gaming, business plans and budgets, financial oversight and management during both construction and operation, marketing plans, insurance procurement and risk management, senior operational management including development of policies and procedures, and overall strategic focus for the L.V. Voyager Project.

The L.V. Voyager Project is fundamentally an entertainment attraction, and it's operational and maintenance requirements are very similar to those found in the theme park industry. In addition, Las Vegas is a unique marketplace, and each visitor, when placed in the environment, is also unique. The ability to understand each visitor, and successfully attract customers to the L.V. Voyager Project will come as a result of clearly understanding the marketing strategies of the gaming industry. VEHI intends to employ highly skilled individuals from the theme park industry and combine their specialized skills with those from the gaming industry.

Voyager Viridian Development, LLC ("Viridian") was formed as a wholly owned subsidiary of Voyager Entertainment International, Inc. ("VEII"). The formation of Viridian is designed to incorporate all the latest technologies within the renewable energy industry into the design and construction of the Voyager Observation wheels, as well as, advancing those technologies into separate development projects.

Viridian is also exploring wind, solar and geothermal projects within Nevada and neighboring states. All three technologies are being considered for a project in Northern Nevada. These renewable energy technologies use and in particular geothermal are currently under financial and project cost analysis. Viridian has commissioned a Member of Appraisal Institute ("MAI") Appraisal to verify land cost of the targeted project location.

Upon completion of that appraisal and project analysis a decision will be made on whether to proceed with the project. All future Viridian "green" projects are subject to successful project financing.

Other "Observation Wheels"
The Company has initiated efforts to build a 600ft Observation Wheel in the United Arab Emirates ("UAE"). The current focus is to find a suitable location. Due to the continuing dynamic changes to the economic environment in the UAE, the Company may take advantage of any favorable financing arrangements with prospective partners. As of the date of this filing, an adequate site for the Observation Wheel has not been determined. At this time there have been no funds raised for this project.

MARKET OVERVIEW

Management believes that, in the foreseeable future, cash generated from operations will be inadequate to support full marketing roll out and ongoing product development, and we will thus be forced to rely on additional debt and/or equity financing. Management believes it can identify sources and obtain adequate amounts of such financing. We intend to enter into a cooperative arrangement with distributors or vendors, whereby we will receive marketing and sales benefits from the professional staff of such distributors or vendors. To date, we have not established any such arrangements. In the event we are unsuccessful in generating equity capital, the Company will be unable to continue with product development and/or marketing. The lack of equity capital may in turn cause the Company to become insolvent.

COMPETITION

We compete with numerous other hospitality and entertainment companies. Many of these competitors have substantially greater resources than we do. Should a larger and better financed company decide to directly compete with us, and be successful in its competitive efforts, our business could be adversely affected. Other competitors could announce and build an observation wheel that is better financed. If this occurs it would make it very difficult for the Company to have a successful project within the same city.

There have been other companies that have announced to the public plans to build an observation wheel in Las Vegas. If any of these companies are successful it would diminish the possibility of the Company obtaining financing or acquiring a proper location. At this time there have been no other companies successful at obtaining locations on or off the Las Vegas Strip.

We have a limited operating history, which could make it difficult to evaluate our business.

RAW MATERIALS AND SUPPLIES

Currently, the Company is a development stage corporation. Until production planning for the Observation Wheel begins, we have no raw materials or principal suppliers.

DEPENDENCE ON MAJOR CUSTOMERS

The Company is not currently dependent on one or a few major customers.

PATENTS, TRADEMARKS, LICENSES

Currently there are no patents, trademarks or copyrights filed on behalf of the Company protecting the current design of the Observation Wheel.

GOVERNMENT APPROVAL

We currently do not have a site for the Observation Wheel. However, when a proper site is obtained, the Company will be required to obtain proper permitting and government approvals unless that site is currently approved for the construction of an Observation Wheel. There can be no guarantees that the Company will be successful in securing a suitable site or the appropriate approvals needed.

EFFECT OF EXISTING OR PROBABLE GOVERNMENTAL REGULATIONS

The Company's common stock is registered pursuant to Section 12(g) of the Securities Exchange Act of 1934 ("1934 Act"). As a result of such registration, the Company is subject to Regulation 14A of the "1934 Act," which regulates proxy solicitations. Section 14(a) requires all companies with securities registered pursuant to Section 12(g) thereof to comply with the rules and regulations of the Commission regarding proxy solicitations, as outlined in Regulation 14A. Matters submitted to stockholders of the Company at a special or annual meeting thereof or pursuant to a written consent will require the Company to provide its stockholders with the information outlined in Schedules 14A or 14C of Regulation 14; preliminary copies of this information must be submitted to the Commission at least 10 days prior to the date that definitive copies of this information are forwarded to stockholders.

Aside from required compliance with federal and state securities laws, regulations and rules, and federal, state and local tax laws, regulations and rules, the Company is not aware of any other governmental regulations now in existence or that may arise in the future that would have an effect on the business of the Company.

RESEARCH AND DEVELOPMENT

We are not the traditional Company that has the standard research and development expenses. As a result, most of our research and development expenses consist of presentation materials and architectural designs. Upon funding of the project the initial expense will be engineering and architectural.

COST AND EFFECTS OF COMPLIANCE WITH ENVIRONMENTAL LAWS

The Company is not currently required to comply with any environmental laws.

EMPLOYEES

As of December 31, 2009, we only had Officers and Directors. We are dependent upon Richard Hannigan, President, CEO and a Director of the Company; Tracy Jones, COO and Director, and Myong Hannigan, Secretary/Treasurer and a Director. We do not have any employees at this time and do not anticipate the need to hire any employees until such time as we have been sufficiently capitalized.

Our future success also depends on our ability to attract and retain other qualified personnel, for which competition is intense. The loss of Mr. Hannigan, Mr. Jones or our inability to attract and retain other qualified employees could have a material adverse effect on us.

FINANCIAL INFORMATION ABOUT GEOGRAPHIC AREAS

We have initiated efforts to build a Voyager Project in the UAE, however there has been no activity relating to this project since inception.

Voyager has no transactions with foreign countries and operates solely in Las Vegas, Nevada.

AVAILABLE INFORMATION

The Company is required to file annual reports on Form 10-K and quarterly reports on Form 10-Q with the Securities and Exchange Commission ("SEC") on a regular basis, and will be required to disclose certain events in a timely manner, (e.g. changes in corporate control; acquisitions or dispositions of a significant amount of assets other than in the ordinary course of business; and bankruptcy) in a Current Report on Form 8-K.

The public may read and copy any materials filed by the Company with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549, on official business days during the hours of 10:00 am to 3:00 pm. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov.

Voyager Entertainment International, Inc.'s Internet website is available for public viewing at http://www.voyager-ent.com.

REPORTS TO SECURITY HOLDERS

Security holders may obtain our annual and quarterly reports directly from the SEC Internet website. These reports are reviewed by an independent public accountant quarterly. Our annual reports filed on form 10-K contain financial information that has been examined and reported on, with an opinion expressed by an independent public accountant.

ITEM 1A. RISK FACTORS.

Operations

We have yet to establish any history of profitable operations. Although some of our affiliates have been engaged in the acquisition and administration of various industries for several years, we have a limited operating history. As a result, we may not be able to successfully achieve profitability. The likelihood of our success must be considered in light of the problems, expenses and complications frequently encountered in connection with the development of a project this size and the competitive environment in which we operate.

Accordingly, our limited operating history makes an effective evaluation of our potential success difficult. Our viability and continued operation depend on future profitability, our ability to generate cash flows and our successful development and management of other business opportunities. There can be no assurance that we will be able to successfully implement our business plan or that if implemented, it will be profitable.

We may be unable to obtain the appropriate funding to run our Company.

We do not presently have sufficient financial resources and have no assurance that sufficient funding will be available to us to build our project. There can be no assurance that we will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of constructing an Observation Wheel.

Stock

We must comply with penny stock regulations which could affect the liquidity and price of our stock.

The Securities and Exchange Commission ("SEC") has adopted rules that regulate broker-dealer practices in connection with transactions in "penny stocks." Penny stocks generally are equity securities with a price of less than $5.00, other than securities registered on certain national securities exchanges or quoted on the Financial Industry Regulatory Authority ("FINRA"), provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. Prior to a transaction in a penny stock, a broker-dealer is required to: Deliver a standardized risk disclosure document prepared by the SEC; Provide the customer with current bid and offers quotations for the penny stock; Explain the compensation of the broker-dealer and its salesperson in the transaction; Provide monthly account statements showing the market value of each penny stock held in the customer's account; Make a special written determination that the penny stock is a suitable investment for the purchaser and Provide a written agreement to the transaction. These requirements may have the effect of reducing the level of trading activity in the secondary market for our stock. Because our shares are subject to the penny stock rules, you may find it more difficult to sell your shares.

We may in the future issue additional shares of our common stock which would reduce investors' percentage ownership and may dilute our share value.

Our articles of incorporation authorize the issuance of 200,000,000 shares of $0.001 par value common stock. As of March 19, 2010, we have 149,902,287 shares of our common stock issued and outstanding. We are also authorized to issue 50,000,000 shares of preferred stock and have designated 1,500,000 shares of Series A Preferred stock at par value $0.001 with no face value, convertible to common stock at 10 to 1 and 10,000,000 shares of Preferred B Stock at par value $0.001 with a face value of $0.10 convertible to common stock at 2 to 1. The future issuance of all or part of our remaining authorized common stock, preferred stock or any combination of either, may result in substantial dilution in the percentage of our common stock held by our then existing shareholders. The issuance of common stock for future services or acquisitions or other corporate actions will have the effect of diluting the value of the shares held by our investors, and might have an adverse effect on any trading market for our common stock.

We are a development stage company and have minimal operating history, which makes an evaluation of us extremely difficult. At this stage of our business operations, even with our good faith efforts, potential investors have a high probability of losing their investment.

Since our reorganization in 2002, we have yet to generate revenues from operations and have been focused on organizational, start-up, market analysis and fund raising activities. Although we have a project to market, there is nothing at this time on which to base an assumption that our business operations will prove to be successful or that we will ever be able to operate profitably. Our future operating results will depend on many factors, including our ability to raise adequate working capital, demand and acceptance of our project, the level of our competition and our ability to attract and maintain key management and employees.

Our auditor's report reflects the fact that without realization of additional capital, it would be unlikely for us to continue as a going concern. If we are unable to continue as a going concern, it is unlikely that we will continue in business.

As a result of our deficiency in working capital and other factors, our auditors have included a paragraph in their report regarding substantial doubt about our ability to continue as a going concern. Our plans in this regard are to seek additional funding through future equity private placements or debt facilities. Without funding for one of our projects the Company would have to rely primarily on raising capital through investors. There can be no guarantee that we are capable of continuing to raise additional capital.

There is a limited current public market for our common stock.

Although our common stock is listed on the over-the-counter bulletin board, there is a limited volume of sales, thus providing a limited liquidity into the market for our shares. During the fiscal years ending December 31, 2009 and 2008, our common stock sold at an average high of $0.02 and $0.07 respectively. The stock market in general has experienced volatility that has often been unrelated to the operating performance of individual companies. These broad market fluctuations may adversely affect the trading price of our common stock, regardless of our actual performance, and could enhance the effect of any fluctuations that do relate to our operating results. As a result of the foregoing, stockholders may be unable to liquidate their shares for any reason.

Global Economy

Current and future conditions in the global economy and global capital markets may adversely affect our results of operations, financial condition and cash flow.

Our business and operating results have been and will continue to be affected by worldwide economic conditions. As a result of slowing global economic growth, the credit market crisis, declining consumer and business confidence, fluctuating commodity prices, and other challenges currently affecting the global economy, our investors and potential investors may experience deterioration of their businesses, cash flow shortages, and difficulty obtaining financing. As a result, existing or potential investors may delay or cancel plans to invest in our Company. Further, our vendors may be experiencing similar conditions, which may impact their ability to fulfill their obligations to us. If the global economic slowdown continues for significant periods or deteriorates significantly, our results of operations, financial condition, and cash flows could be materially adversely affected.

Operating in Foreign Countries

We have initiated efforts to build a Voyager Project in the UAE. Operating in a foreign country provides additional risks such as, permitting and licensing can be more difficult to obtain, obtaining personnel for the daily operations could present significant challenges, and if the local government were to become unstable, our results could be severely affected.

Since its inception, there has been no activity relating to the UAE project.

Acts of Terrorism

Because the Voyager Project will depend upon tourism, if there is a terrorist attack in the city or country where the project is located, the anticipated results could be dramatically affected, including complete closure of the project.

Sarbanes-Oxley Act

We are required to comply with the provisions of Section 404 of the Sarbanes-Oxley Act of 2002, which require us to maintain an ongoing evaluation and integration of the internal controls of our business. We were required to document and test our internal controls and certify that we are responsible for maintaining an adequate system of internal control procedures for the year ended December 31, 2009. In subsequent years, our independent registered public accounting firm may be required to opine on those internal controls and management's assessment of those controls. In the process, we may identify areas requiring improvement, and we may have to design enhanced processes and controls to address issues identified through this review.

We cannot be certain that we will be able to successfully complete the procedures, certification and attestation requirements of Section 404 or that our auditors will not have to report a material weakness in connection with the presentation of our financial statements. If we fail to comply with the requirements of Section 404 or if our auditors report such material weakness, the accuracy and timeliness of the filing of our annual report may be materially adversely affected and could cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock. In addition, a material weakness in the effectiveness of our internal controls over financial reporting could result in an increased chance of fraud and the loss of customers, reduce our ability to obtain financing and require additional expenditures to comply with these requirements, each of which could have a material adverse effect on our business, results of operations and financial condition.

Further, if we begin production of an observation wheel, we believe that the out-of-pocket costs, the diversion of management's attention from running the day-to-day operations and operational changes caused by the need to comply with the requirements of Section 404 of the Sarbanes-Oxley Act could be significant. If the time and costs associated with such compliance exceed our current expectations, our results of operations could be adversely affected.

Going Concern

The Company has limited operations and is still in the development stage. The Company will need to raise a substantial amount of capital in order to continue its business plan. Management intends to initiate their business plan and will continue to seek out joint venture partners, attempt to locate the appropriate location for the L.V. Project as well as other projects and continually seek funding opportunities.

Management intends to use borrowings and security sales to mitigate the effects of its cash position. However, no assurance can be given that debt or equity financing, if and when required, will be available. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue existence.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES

We currently lease 2,100 square feet of office space in Las Vegas, Nevada from Synthetic Systems, Inc., of which our President is the owner. We lease the office space at cost with no mark-up for approximately $2,850 per month on a month-to-month basis. We believe that the property leased from Synthetic Systems, Inc., is in reasonably good condition and is suitable for our current and anticipated needs for the near future. As Synthetic Systems, Inc. does not own the office space directly, all rental payments are made to the independent third party property owner.

ITEM 3. LEGAL PROCEEDINGS.

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

MARKET INFORMATION

Our common stock is traded in the over-the-counter bulletin board through the Financial Industry Regulatory Authority ("FINRA"), under the symbol "VEII". The following table sets forth the trading history of the Common Stock for each quarter of fiscal years ended December 31, 2009 and 2008, as reported by stockhouse.com. The quotations reflect inter-dealer prices, without retail mark-up, markdown or commission, and may not represent actual transactions.

	High	Low
2009		
First Quarter	0.035	0.0001
Second Quarter	0.03	0.01
Third Quarter	0.019	0.01
Fourth Quarter	0.016	0.005
2008		
First Quarter	0.10	0.05
Second Quarter	0.06	0.03
Third Quarter	0.05	0.03
Fourth Quarter	0.045	0.02

HOLDERS OF COMMON STOCK

As of March 19, 2010, we had approximately 110 active stockholders on record (not including shares held by brokers or in street name), of the 149,902,287 shares of common stock outstanding. The closing bid stock price on March 19, 2010 was $0.004.

DIVIDENDS

We have never declared or paid dividends on our common stock. We intend to follow a policy of retaining earnings, if any, to finance the growth of the business and do not anticipate paying any cash dividends in the foreseeable future. The declaration and payment of future dividends on the common stock will be at the sole discretion of the Board of Directors and will depend on our profitability and financial condition, capital requirements, statutory and contractual restrictions, future prospects and other factors deemed relevant by the Board.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company's stockholders approved the 2002 Stock Option Plan on April 2, 2002 at the Company's annual meeting. The plan authorizes the Company to issue 5,000,000 shares of common stock for issuance upon exercise of options.

The plan is intended to encourage directors, officers, employees and consultants of the Company to acquire ownership of common stock. Officers (including officers who are members of the Board of Directors), directors (other than members of the Stock Option Committee (the "Committee") to be established to administer the Stock Option Plan) and other employees and consultants of the Company and its subsidiaries (if established) will be eligible to receive options under the planned Stock Option Plan. The Committee will administer the Stock Option Plan and will determine those persons to whom options will be granted, the number of options to be granted, the provisions applicable to each grant and the time periods during which the options may be exercised. No options may be granted more than ten years after the date of the adoption of the Stock Option Plan.

Unless the Committee, in its discretion, determines otherwise, non-qualified stock options will be granted with an option price equal to the fair market value of the shares of common stock to which the non-qualified stock option relates on the date of grant. In no event may the option price with respect to an incentive stock option granted under the Stock Option Plan be less than the fair market value of such common stock to which the incentive stock option relates on the date the incentive stock option is granted. Each option granted under the Stock Option Plan will be exercisable for a term of not more than ten years after the date of grant. Certain other restrictions will apply in connection with this Plan when some awards may be exercised.

In the event of a change of control (as defined in the Stock Option Plan), the date on which all options outstanding under the Stock Option Plan may first be exercised will be accelerated. Generally, all options terminate 90 days after a change of control. As of December 31, 2009, no options have been issued under this plan.

RECENT SALES OF UNREGISTERED SECURITIES AND USE OF PROCEEDS

Equity securities that were sold by the Company for the fiscal year ending December 31, 2009 that were not registered under the Securities Act and were not previously included in a Quarterly Report filed on Form 10-Q or in a Current Report on Form 8-K are as follows:

In December 2009, the Company sold 1,500,000 shares of common stock valued at $30,000 or $0.02 per share. Proceeds from the sale of shares were used for operating expenses.

ITEM 6. SELECTED FINANCIAL DATA.

Not applicable to smaller reporting companies.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this report. References in this section to "Voyager Entertainment International, Inc.," the "Company," "we," "us," and "our" refer to Voyager Entertainment International, Inc. and our direct subsidiaries on a consolidated basis unless the context indicates otherwise.

This annual report contains forward looking statements relating to our Company's future economic performance, plans and objectives of management for future operations, projections of revenue mix and other financial items that are based on the beliefs of, as well as assumptions made by and information currently known to, our management. The words "expects, intends, believes, anticipates, may, could, should" and similar expressions and variations thereof are intended to identify forward-looking statements. The cautionary statements set forth in this section are intended to emphasize that actual results may differ materially from those contained in any forward looking statement.

This annual report does not include an attestation report of the Company's registered accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission.

Our Management, Discussion and Analysis ("MD&A") is provided as a supplement to our audited financial statements to help provide an understanding of our financial condition, changes in financial condition and results of operations. The MD&A section is organized as follows:

o Executive Summary, Overview and Development of our Business. These sections provide a general description of the Company's business, as well as recent developments that we believe are important in understanding our results of operations as well as anticipating future trends in our operations.

- Critical Accounting Policies. This section provides an analysis of the significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses, and the related disclosure of contingent assets and liabilities.

- Results of Operations. This section provides an analysis of our results of operations for the year ended December 31, 2009 compared to the year ended December 31, 2008. A brief description of certain aspects, transactions and events is provided, including related-party transactions that impact the comparability of the results being analyzed.

- Liquidity and Capital Resources. This section provides an analysis of our financial condition and cash flows as of and for the year ended December 31, 2009.

EXECUTIVE SUMMARY

Voyager Entertainment International, Inc., formerly named Dakota Imaging, Inc., was incorporated in North Dakota on January 31, 1991. Effective February 8, 2002, the Company completed a reverse triangular merger between Dakota Subsidiary Corp. ("DSC"), a wholly-owned subsidiary of the Company, and Voyager Ventures, Inc., a Nevada Corporation ("Ventures"), whereby the Company issued 3,660,000 shares of its Series A preferred stock in exchange for 100% of Ventures' outstanding common stock. Pursuant to the terms of the merger, DSC merged with and into Ventures and ceased to exist, and Ventures became a

wholly-owned subsidiary of the Company. As a result of the merger, Ventures was deemed to be the purchaser and surviving company for accounting purposes.

On January 30, 2002, Ventures entered into an agreement and Plan of Reorganization (the "Reorganization") with Outland Development, LLC ("Outland"), a limited liability company formed under the laws of the State of Nevada on March 1, 1997. Pursuant to the Reorganization, Ventures issued 15,000,000 shares of its common stock in exchange for 100% of Outland's membership interest.

This transaction was accounted for in the consolidated financial statements as a reverse acquisition. As a result of this transaction, the former members of Outland acquired or exercised control over a majority of the shares of the Company before and after the reorganization. Accordingly, the transaction was treated for accounting purposes as a recapitalization of Outland. Therefore, these consolidated financial statements represent a continuation of Outland, not Ventures.

The consolidated financial statements presented include the accounts of Outland from its inception (March 1, 1997) through December 31, 2009.

On April 2, 2002, we amended our Certificate of Incorporation to change our name from Dakota Imaging, Inc. to Voyager Entertainment International, Inc.

In June 2003, the Company reincorporated in the State of Nevada. The reincorporation became effective in the states of North Dakota and Nevada on June 23, 2003, the date the Certificate of Merger was issued by the Secretary of State of North Dakota.

Voyager Ventures, Inc. has been a dormant company since 2002 and was discontinued as of December 31, 2007. Outland Development, LLC has been a dormant company and was discontinued as of June 30, 2009. Voyager Viridian LLC, a wholly-owned subsidiary, was formed on August 3, 2009.

Plan of Operations

During the next 12 months, we are continuing our efforts on the development of an Observation Wheel in Las Vegas, Nevada; however, actual production will not commence until we have sufficient capital for construction and marketing. As of the year ending December 31, 2009, the Company did not have enough cash on hand to continue operations through the next year. From time-to-time the officers of the Company loan funds to provide for operations however, there can be no guarantees that the Company's officers and directors will continue to loan funds to the Company on an ongoing basis. We will continue to seek alternative funding sources, however if we do not receive a substantial amount of funding it will be unlikely we can continue operations.

We have been successful in the past in selling our common stock in private transactions to provide for minimal operations. We plan to seek additional funding through debt transactions and the sale of our common stock either privately or publicly. There can be no guarantees we will continue to be successful in completing those transactions. The significant expenses for the Company consist of consulting fees that are primarily paid by the issuance of our common stock and the costs of being a public company and remaining current with our periodic filings.

We are not the traditional Company that has the standard research and development expenses. As a result, most of our research and development expenses consist of presentation materials and architectural designs. Upon funding of the project the initial expense will be engineering and architectural.

Our primary costs consist mainly of professional and consulting, legal and accounting fees along with those fees paid to related parties for rent expenses and printing expenses. As the project is being developed we are incurring additional architectural and travel related fees. If this project is successful there will be a significant increase in expenses for all aspects of the construction process to include an additional office set up, additional employees and continual travel.

We plan to focus primarily on the development of the Observation Wheel in Las Vegas over the next 12 months although we may entertain discussions with any interested party in other locations. Other than presentation materials, if a suitable site is acquired and selected, the primary focus will be on completing engineering and starting the construction of an Observation Wheel.

We will face considerable risk in each of our business plan steps, such as difficulty of hiring competent personnel within our budget and a shortfall of funding due to our inability to raise capital in the equity securities market. If no funding is received during the next twelve months, we will be forced to rely on existing cash in the bank. As stated above, our current cash reserves are not sufficient to fund operations for the next twelve months.

We have no operating history, no significant current operations, minimum cash on hand, and no profit. Because of these factors, our auditors have issued an audit opinion for us which includes a statement describing doubts about our ability to continue as a going concern status. This means there is substantial doubt about our ability to continue as a going concern. While we believe we have made good

faith estimates of our ability to secure additional capital in the future to reach our goals, there is no guarantee that we will receive sufficient funding to implement any future business plan steps. In the event that we do not receive additional financing, we will not be able to continue our operations.

The timing of most of our capital expenditures is discretionary. Currently there are no material long-term commitments associated with our capital expenditure plans. Consequently, we have a significant degree of flexibility to adjust the level of such expenditures as circumstances warrant. The level of our capital expenditures will vary in future periods depending on market conditions and other related economic factors.

CRITICAL ACCOUNTING POLICIES

The methods, estimates and judgments we use in applying our accounting policies have a significant impact on the results we report in our financial statements, which we discuss under the heading "Results of Operations" following this section of our MD&A. Some of our accounting policies require us to make difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Our most critical accounting estimates include the accounting for stock based compensation.

Stock Based Compensation

Stock based compensation is accounted for using the Equity-Based Payments to Non-Employee Topic of the FASB ASC, which establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. We determine the value of stock issued at the date of grant. We also determine at the date of grant the value of stock at fair market value or the value of services rendered (based on contract or otherwise) whichever is more readily determinable.

Shares issued to employees are expensed upon issuance.

Stock based compensation for employees is accounted for using the Stock Based Compensation Topic of the FASB ASC. We use the fair value method for equity instruments granted to employees and will use the Black Scholes model for measuring the fair value of options, if issued. The stock based fair value compensation is determined as of the date of the grant or the date at which the performance of the services is completed (measurement date) and is recognized over the vesting periods.

RESULTS OF OPERATIONS

As of December 31, 2009, we have not constructed an Observation Wheel and therefore have not generated revenues. Our officers and directors have assessed possible site locations for other Observation Wheel projects outside of Las Vegas, Nevada. As of December 31, 2009, we have not settled on any additional Observation Wheel projects and are continuing to focus on the L.V. Project in 2010.

Results of operations for the year ended December 31, 2009 compared to the year ended December 31, 2008 consist of the following:

	December 31, 2009	December 31, 2008	$ Change
Revenue	$ --	$ --	$ --

Professional and consulting fees	627,041	643,478	(16,437)
Project costs	134,857	32,004	102,853
General and administrative expenses	380,788	137,198	243,590
Operating loss	$(1,142,686)	$ (812,680)	$ (330,006)

We had operating expenses of $1,142,686 for the year ended December 31, 2009 versus operating expenses of $812,680 for the year ended December 31, 2008 which primarily consisted of professional and consulting fees, project costs, and bad debts. General and administrative expenses remained constant from 2008 to 2009. In general, we are reducing costs where able in an attempt to prolong our cash reserves.

If the Company receives funding for the L.V. Project, we expect these expenses to increase substantially, including support for employees that will be required and other operating expenses related to the construction of the project. Additionally, we anticipate issuing bonuses to management for services rendered at a time when the Company is more fiscally able.

Professional and Consulting Fees

We incurred professional and consulting fees of $627,041 for the year ending December 31, 2009 versus $643,478 for the year ending December 31, 2008. Professional and consulting fees are primarily satisfied by the issuance of common stock as a result of insufficient cash for payment for services. In 2009 we issued shares for services of $243,750 versus $218,000 in 2008.

We have expensed professional fees to Synthetic Systems, Inc. totaling $444,000 as of December 31, 2009 compared to $420,000 as of December 31, 2008 due to a fee increase of $2,000 per month. We anticipate these professional fees to total $444,000 for the next twelve months ending December 31, 2010. As of December 31, 2009, there is an accrued unpaid balance of $1,778,000 consisting of professional fees of $1,018,000 and bonuses in lieu of salaries of $760,000 that were incurred for the fiscal years ending 2007 and 2006. There were no bonuses issued for the year ending December 31, 2009 or 2008. Synthetic Systems, Inc. is jointly controlled by our Chief Executive Officer and Secretary. See Note 8 of our financial statements.

Other professional fees recognized include fees associated to the preparation, review, and filing of our financial statements with the Securities and Exchange Commission of approximately $68,000 in 2009 compared to $112,000 in 2008. The cash savings of $44,000 is a result of our efficient accounting and reporting process, small business transactions, and a $22,000 decrease in legal fees in 2009 compared to 2008.

During 2009, we incurred consulting expenses of approximately $115,000 compared to $209,000 in 2008. We engage consultants to assist us in analyzing possible business prospects inside and outside of the Las Vegas area and to assess the real estate needed in connection with the project. As of December 31, 2009, we have identified several locations for the L.V. Project but have yet to agree upon a definitive site. These engagements allow us to focus our efforts on the progress of our project. In the event that a project site is secured, we anticipate incurring consulting fees relating to the construction of the project.

Blue Prints/Project Costs

Blue Prints/Project Costs for the year ended December 31, 2009 were $134,857 which is $102,853, or 321%, more than the $32,004 of project costs incurred for the year ended December 31, 2008. Project costs are the expenses related to the materials used to attract investors. These expenses consisted primarily of presentation and development materials provided to prospective funding sources. This increase is a result of services incurred in the progression towards the execution of our project and the assessment of additional projects. Our total project costs since inception are $330,797. We anticipate that we will continue incurring project costs as a result of seeking business opportunities for our Observation Wheel, should we be able to continue our planning efforts.

Bad Debts

At December 31, 2009, we analyzed the collectability of our advance of $500,000 to a related party. The repayment of this advance is predicated upon the production of our project. Based on current economic conditions, we have determined that an allowance of $250,000 of the advance is appropriate. It is unknown whether we will be able to secure a site and begin construction on the project in the next twelve months, facilitating repayment of the advance. In the event that we secure a project site and sufficient project funding, the allowance against the advance will be reversed in reevaluation for realizable collectability. As of December 31, 2008, there was no allowance on the advance.

LIQUIDITY

Years Ended December 31, 2009 and December 31, 2008.

	December 31, 2009	December 31, 2008	$ Change
Cash	$ 7,488	$ 15,234	$ (7,746
Accounts payable and accrued expenses	$1,638,121	$1,286,380	$ 351,741
Due to related parties	$2,354,000	$1,810,000	$ 544,000
Total current liabilities	$6,725,360	$5,829,619	$ 895,741
Cash proceeds from the sale of common stock	$ 90,000	$ 195,000	$ (105,000

We have financed our operations during the year primarily through the use of cash on hand, issuance of stock for services, issuance of stock for cash, and aging of our payables.

As of December 31, 2009, we had total current liabilities of $6,725,360 compared to $5,829,619 as of December 31, 2008. The 15% increase in total current liabilities is primarily a result of expenses incurred that are due to related parties, which remain unpaid. These items increased as our lack of cash has resulted in longer aging of payables and need for additional cash infusion.

Accounts Payable

Our accounts payable increased by approximately $95,000, or 378%, as of December 31, 2009 compared to December 31, 2008 due to incurrence of travel expenses and project costs. As a result of current economic conditions, travel expenses and project costs were incurred to explore alternative observation wheel locations outside of Las Vegas for possible business opportunities.

For the year ending 2010, we anticipate to incur normal reoccurring expenses of approximately $600,000 as a result of related party consulting, furniture and equipment lease, office cleaning, utilities, accounting, health insurance and rent expense.

Accrued Expenses

Accrued Expenses increased $256,753, or 21%, as of December 31, 2009 compared to December 31, 2008 which consisted primarily of accrued interest. Payment of our loans and their corresponding interest will be made upon our first initial project financing. Until such time, it is likely that our interest expense will continue to accumulate at a steady rate.

Due to Related Parties

	December 31, 2009	December 31, 2008	$ Change
Accrued Expenses - Related Party	$1,778,000	$1,470,000	$ 308,000
Due To - Related Party	576,000	340,000	236,000
Total Related Party Liability	$2,354,000	$1,810,000	$ 544,000

Our total related party liabilities increased $544,000, or 30%, as of December 31, 2009 compared to December 31, 2008. These items increased as our lack of cash has resulted in longer aging of payables to our related parties and need for additional cash infusion from our related parties.

We received $236,000 in related party loans during the fiscal year ended December 31, 2009 compared to $215,000 during the fiscal year ended December 31, 2008. The receipt of funds allowed us to pay our vendors so that we could continue our operating efforts. Future borrowings may be deemed necessary to sustain our operations until alternative funding can be received.

As of December 31, 2009, we owe $576,000 in related party loans and $1,778,000 for professional fees and unpaid bonuses. No bonuses were issued for the fiscal year ending December 31, 2009 or 2008.

These related party trends are likely to continue throughout 2010 and until fiscal stability can be reached, either by project funding or through the generation of operating revenues.

CAPITAL RESOURCES

Cash decreased by $7,746, or 51%, as of December 31, 2009 due to the payment of some of our payables throughout 2009. Additionally, common stock issuances and subscriptions for cash decreased by $105,000, or 54%, for the year ended December 31, 2009 compared to the year ended December 31, 2008. It is more likely than not that the issuance of shares for cash will continue to decrease in the next twelve months as a result of the apprehensions shareholders have towards the volatility of the stock market. For the year ended December 31, 2009, we issued common stock for $60,000 cash. An additional $30,000 was received for the purchase of common stock, however the related sales are yet to be finalized and no shares were issued as of December 31, 2009. The issuance of common stock for cash assists us in continuing our operating efforts. Should we be unable to issue common stock for cash sufficient enough to sustain our operations, either alternative capital raising efforts will proceed or operations will halt until the proper funding can be obtained.

We had $7,488 cash on hand as of December 31, 2009 compared to $15,234 as of December 31, 2008. We will continue to need additional cash during the following twelve months and these needs will coincide with the cash demands resulting from our general operations and implementing our business plan. It is unlikely that an agreement finalizing the security of a project site and the corresponding construction of an observation wheel will begin in the next twelve months. Assuming no such occurrences, our anticipated minimum cash payments for 2010 will be approximately $600,000.

There is no assurance we will be able to obtain additional capital as required, or obtain the capital on acceptable terms and conditions. Our failure to obtain sufficient funding may result in our need to halt operations until such funding can be obtained. A halt in operations could significantly setback the progress we have made in negotiating a project site and the related financing. Additionally, during this time, a stronger competitor may prevail with a similar project.

A critical component of our operating plan impacting our continued existence is the ability to obtain additional capital through additional equity and/or debt financing. We do not anticipate enough positive internal operating cash flow until such time as we can generate substantial revenues, which may take the next few years to fully realize. In the event we cannot obtain the necessary capital

to pursue our strategic plan, we may have to cease or significantly curtail our operations. This would materially impact our ability to continue operations.

Our near term cash requirements are anticipated to be offset through the receipt of funds from private placement offerings and loans obtained through private sources. Since inception, we have financed cash flow requirements through debt financing and issuance of common stock for cash and services. The acquisition of sufficient funding presents a challenge in the current economy that we may be unable to overcome. As we initiate operational activities, we may continue to experience net negative cash flows from operations, pending receipt of servicing or licensing fees, and will be required to obtain additional financing to fund operations through stock offerings and bank borrowings to the extent necessary to provide working capital.

Over the next twelve months, we believe that existing capital and anticipated funds from operations will not be sufficient to sustain operations and planned development. Consequently, we will be required to seek additional capital in the future to fund growth and expansion through additional equity or debt financing or credit facilities. No assurance can be made that such financing would be available, and if available it may take either the form of debt or equity. In either case, the financing could have a negative impact on our financial condition and our stockholders.

We anticipate incurring operating losses over the next twelve months. Our lack of operating history makes predictions of future operating results difficult to ascertain. Our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly companies in new and rapidly evolving markets such as development related companies. Such risks include, but are not limited to, an evolving and unpredictable business model and the management of growth. To address these risks we must, among other things, implement and successfully execute our business and marketing strategy, continue to develop and upgrade technology and products, respond to competitive developments, and attract, retain and motivate qualified personnel. There can be no assurance that we will be successful in addressing such risks, and the failure to do so can have a material adverse effect on our business prospects, financial condition and results of operations.

NOTES PAYABLE

	December 31, 2009	December 31, 2008	$ Change	% Change
Related Party	$ 576,000	$ 340,000	$ 236,000	69%
Line of Credit	605,000	605,000	--	0%
Diversified	1,250,000	1,250,000	--	0%
Settlement Payable	878,239	878,239	--	0%
Total Debt	$3,309,239	$3,073,239	$ 236,000	8%

As of December 31, 2009, we have debt of $3,309,239 compared to $3,073,239 as of December 31, 2008. The increase of $236,000 is a result of related party loans as indicated above.

Our remaining debt obligations consist of loans due as a result of notes that, upon renegotiations with our creditors, are not considered in default and are to be paid upon our initial substantial project fundings. As of December 31, 2009, the total project funding required to repay our principal payments is $2,733,239. Per the terms of the modifications of the debts, the principal balance will not vary from this balance until payments have begun. However, certain obligations will continue to accrue interest until payment is made as discussed below.

Line of Credit

On November 15, 2002, we entered into a loan and security agreement with Mr. Dan Fugal, an unaffiliated individual, whereby Mr. Fugal was to provide us with a credit facility in the form of a secured line of credit not to exceed $2.5 million.

On February 15, 2003, we executed an amendment to the Loan and Security Agreement to amend the term date from February 15, 2003 to April 15, 2003. As of the year ending December 31, 2005, Mr. Fugal has loaned $605,000 to the Company. The loan and security agreement with Mr. Fugal has expired and requires the Company to repay $605,000 to Mr. Fugal as well as a one time interest payment of $605,000. Any agreements or amendments for Mr. Fugal to provide additional funds have been canceled, and the Company is obligated to repay a total of $1,210,000. As a requirement of the Agreement, the Company is obligated to repay Mr. Fugal when an adequate amount of funding is received. At this time, unless funding is received, it is likely that the Company will be unable to repay the debt. As collateral for the Loan and Security Agreement with Mr. Fugal, Mr. Fugal filed a UCC-1 against the assets and intellectual property of the Company which would give Mr. Fugal the right to institute foreclosure proceedings toward the Company. Mr. Fugal could institute foreclosure proceedings at any time if he believes that he will not be repaid. As of this date Mr. Fugal has not indicated any intentions to institute foreclosure proceedings. However, we can not guarantee that Mr. Fugal will not attempt to institute foreclosure proceedings against the Company. This credit facility is deemed closed and will not increase.

Diversified Lending

On September 5, 2006, the Company entered into a note payable with Diversified Lending Group, Inc. for $1,250,000. The Company is a joint tenant with Western Architectural Services, LLC ("Western") in this debt which bears interest of 14% and is due upon our first substantial project funding. As of December 31, 2007, Western paid directly to Diversified Lending Group, Inc. six months of interest for the original loan. We have accounted for this as both interest income and interest expense of $87,500 for the fiscal year ended December 31, 2007. As stated in the agreement, the Company could extend the Maturity Date of the loan one time for a period of six months, which the Company exercised for a fee of 3% of the loan amount or $37,500 (Western paid to the Company $18,750 as their part of the loan extension). We accounted for Western's three months of interest due to the extension as both interest income and interest expense of $43,750 for the fiscal year ended December 31, 2008.

In February 2009, management and the note holder negotiated an amendment to the note payable, effective February 5, 2008, to extend the terms of the note. Per the amended agreement, the note is not in default and interest is to continue to be accrued on the principal balance of $1,250,000 at the original rate of 14% per annum. An original maturity date of one year from the issuance was amended so that the unpaid interest and principal balances are due sixty days pursuant to our first substantial project funding that exceeds $15,000,000. As of December 31, 2009, an aggregate balance of $1,597,863 remained unpaid.

As consideration for the loan, the Company was required to pay $50,000 and issue 4,000,000 shares of its common stock, both of which have been completed. Also, to collateralize the loan, the Company was required to issue 7,500,000 shares of its common stock. The promissory note also holds an anti-dilution clause where the Company is required to issue additional shares of its common stock to the debt holder so their 4% ownership is not diluted. As of December 31, 2009 and 2008, respectively, our loan fees paid with common stock have been fully expensed and our loan collateral paid with common stock was $750,000 at both period end dates.

At December 31, 2009 and December 31, 2008, we accrued an additional $12,585 and $22,903 respectively, of interest relating to the year end dilution calculation. As a result, 1,307,431 additional shares are to be issued upon the publication of the financial statements.

As the loan collateral, loan fees and anti-dilution components of the agreement (as described above) are dominated in the Company's common stock, the Company maintains the full risk of loss and we have recorded the full debt component on our balance sheet.

From the proceeds of the debt facility we issued $500,000 to Western and recorded an Advance - Related Party on our balance sheet. Our Chief Operating Officer is also the Chief Executive Officer of Western Architectural Services, LLC.

Settlement Payable

Our loans and settlement payable have no stated interest rate, are due on demand and are unsecured. Interest has been accrued at an estimated market interest rate of 8%, is included in accrued expenses, and totaled $533,709 as of December 31, 2009 and $462,277 as of December 31, 2008.

The original loan balance was $228,239. The proceeds were received and used for operating capital during the year ended December 31, 2002. In March 2003, a claim of $1,460,000 was asserted by the lender. Although management believed the claims were frivolous, due to the additional resources needed by management to defend against these claims and the likely distraction of management's efforts from moving forward with the Company's business plan, a settlement agreement was executed with the lender in August 2003. Pursuant to the Settlement Agreement, the Company agreed to pay a settlement amount of an additional $650,000, without claiming any fault or wrong doing.

As of December 31, 2009, the total obligation included loans of $228,239 in principal and the settlement obligation of $650,000, plus total accrued interest of $533,709 amounting to an aggregate of $1,411,948. One half of this amount, or $705,974 is due and payable at the closing of the first round of project funding and the remaining balance is due and payable at the closing of any subsequent project funding, neither of which have occurred as of December 31, 2009. Since the loan payable does not have a maturity date, the entire balance has been presented as a current liability. The debt holder is a shareholder in our Company and owns approximately 7.4 million shares of our common stock.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements and does not participate in non-exchange traded contracts requiring fair value accounting treatment.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable to smaller reporting companies.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009
DECEMBER 31, 2008

CONTENTS

	Page
REPORT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON THE CONSOLIDATED FINANCIAL STATEMENTS	F-2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Balance Sheets	F-3
Consolidated Statements of Operations	F-4
Consolidated Statement of Stockholders' Deficit	F-5
Consolidated Statements of Cash Flows	F-11
Notes to Consolidated Financial Statements	F-13

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
Voyager Entertainment International Inc. and Subsidiaries

Las Vegas, NV

We have audited the accompanying balance sheets of Voyager Entertainment International, Inc. and Subsidiaries as of December 31, 2009 and 2008, and the related statements of operations, stockholders' deficit, and cash flows for the years then ended and from inception (March 1, 1997) through December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Voyager Entertainment International, Inc. and Subsidiaries as of December 31, 2009 and 2008, and the results of its operations and cash flows for the years then ended and from inception (March 1, 1997) through December 31, 2009 in conformity with U.S. generally accepted accounting principles.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations, which raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

De Joya Griffith & Company, LLC

/s/ De Joya Griffith & Company, LLC
Henderson, NV
March 26, 2010

VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED BALANCE SHEETS

	Decem 2 -----
ASSETS	
CURRENT ASSETS	
Cash	$
Prepaids	
Deferred financing costs	
Advances - related party, net of allowance	

```
            of $250,000 and $0, respectively
                                                                                            -----
                  Total current assets

FIXED ASSETS, net of accumulated depreciation of
                  $42,214 and $43,391, respectively
                                                                                            -----

                                             Total assets                                   $
                                                                                            =====

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES
         Accounts payable and accrued expenses                                              $  1,
         Accrued expenses - related party                                                      1,
         Notes payable                                                                         1,
         Due to related parties
         Loans and settlement payable
                                                                                            -----
                  Total current liabilities                                                    6,
                                                                                            -----

                                             Total liabilities                                 6,

COMMITMENTS & CONTINGENCIES

STOCKHOLDERS' DEFICIT
         Preferred stock: $0.001 par value; authorized 50,000,000 shares
                  Series A - 1,500,000 designated, none outstanding
                  Series B - 10,000,000 designated, 0 and 1,000,000 outstanding
                    respectively
         Common stock: $0.001 par value; authorized 200,000,000 shares;
                  issued and outstanding:151,402,287 and 132,027,287 respectively
         Additional paid-in capital                                                           13,
         Deferred construction costs paid with common stock
         Loan collateral paid with common stock                                                 (
         Common stock payable, net common stock receivable of $75,000 and $0, respectively
         Accumulated deficit during the development stage                                    (19,
                                                                                            -----

                  Total stockholders' deficit                                                 (6,
                                                                                            -----

                                             Total liabilities and stockholders' deficit    $
                                                                                            =====
```

The accompanying notes form an integral part of these consolidated financial statements.

VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED STATEMENTS OF OPERATIONS

```
                                                                 Twelve Months Ended         Fro
                                                            December 31,      December 31,   Marc
```

	2009	2008	Dece
Revenues	$ --	$ --	$
Operating Expenses:			
Professional and consulting fees	627,041	643,478	
Project costs	134,857	32,004	
Bad debt expense	250,000	--	
Depreciation	3,270	7,180	
Settlement expense & nullification fee expense	--	--	
Other expense	127,518	130,018	
	1,142,686	812,680	
Operating loss	(1,142,686)	(812,680)	
Other income (expense):			
Interest income	--	43,751	
Interest expense	(259,264)	(419,418)	
Financing fees	(59,008)	--	
Loss on disposal of fixed assets	(2,229)	--	
	(320,501)	(375,667)	
Net Loss	(1,463,187)	(1,188,347)	
Preferred stock dividends	--	--	
Net loss allocable to common stockholders	$ (1,463,187)	$ (1,188,347)	$
Net loss per common share - basic and diluted	$ (0.01)	$ (0.01)	
Weighted average number of common shares outstanding	141,635,849	127,699,957	

The accompanying notes form an integral part of these consolidated financial statements.

VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
FROM INCEPTION (MARCH 1, 1997) TO DECEMBER 31, 2009

	Preferred Stock Series A	Preferred Stock Series B	Common stock

	Shares	Amount	Shares	Amount	Shares	Amou
Balance at inception - March 1, 2000 (as restated for reorganization)	--	$ --	--	$ --	15,000,000	$15,0
Net loss for the year ended December 31, 2001	--	--	--	--	--	
Balance at December 31, 2001	--	$ --	--	$ --	15,000,000	$15,0
Issuance of stock for cash and services (pre-merger)	2,160,000	2,160	--	--	--	
Conversion of preferred stock to common stock	(660,000)	(660)	--	--	6,600,000	6,6
Acquisition of net assets of Dakota	--	--	--	--	11,615,000	11,6
Issuance of common stock for cash February 15, 2002	--	--	--	--	800,000	8
Issuance of common stock for services April 2002	--	--	--	--	200,000	2
Issuance of common stock for Architectural agreement - May 2002	--	--	--	--	2,812,500	2,8
Issuance of common stock for cash June 2002	--	--	--	--	50,000	
Issuance of common stock for Architectural agreement - October 2002	--	--	--	--	600,000	6
Issuance of common stock for financing costs - November 2002	--	--	--	--	650,000	6
Issuance of stock for services October 2002	--	--	--	--	325,000	3
Net loss for the year ended December 31, 2002	--	--	--	--	--	
Balance at December 31, 2002	1,500,000	$ 1,500	--	$ --	38,652,500	$38,6
Issuance of common stock for financing costs - June 2003	--	--	--	--	2,600,000	2,6
Issuance of preferred stock for cash June 2003	--	--	1,000,000	1,000	--	
Issuance of preferred stock for cash August 2003	--	--	500,000	500	--	
Issuance of common stock for cash September 2003	--	--	--	--	769,222	7
BCF associated with preferred stock	--	--	--	--	--	
Amortization of beneficial conversion feature in a manner similar to preferred stock dividends	--	--	--	--	--	

	Acquisition Deposit	Loan collateral	Loan Fee	Stock Payable	Deficit accumulat during th developme stage
Balance at inception - March 1, 2000 (as restated for reorganization)	$ --	$ --	$ --	$ --	$ (87,
Net loss for the year ended December 31, 2001	--	--	--	--	(101,
Balance at December 31, 2001	$ --	$ --	$ --	$ --	$ (188,
Issuance of stock for cash and services (pre-merger)	--	--	--	--	
Conversion of preferred stock to common stock	--	--	--	--	
Acquisition of net assets of Dakota	--	--	--	--	
Issuance of common stock for cash February 15, 2002	--	--	--	--	
Issuance of common stock for services April 2002	--	--	--	--	
Issuance of common stock for Architectural agreement - May 2002	--	--	--	--	
Issuance of common stock for cash June 2002	--	--	--	--	
Issuance of common stock for Architectural agreement - October 2002	--	--	--	--	
Issuance of common stock for financing costs - November 2002	--	--	--	--	
Issuance of stock for services October 2002	--	--	--	--	
Net loss for the year ended December 31, 2002	--	--	--	--	(1,754,
Balance at December 31, 2002	$ --	$ --	$ --	$ --	$(1,942
Issuance of common stock for financing costs - June 2003	--	--	--	--	
Issuance of preferred stock for cash June 2003	--	--	--	--	
Issuance of preferred stock for cash August 2003	--	--	--	--	

Issuance of common stock for cash September 2003	--	--	--	--
BCF associated with preferred stock	--	--	--	--
Amortization of beneficial conversion feature in a manner similar to preferred stock dividends	--	--	--	--

	Preferred Stock Series A		Preferred Stock Series B		Common stock	
	Shares	Amount	Shares	Amount	Shares	Amou
Issuance of common stock for services September 2003	--	--	--	--	625,000	6
Issuance of common stock for cash December 2003	--	--	--	--	2,307,692	2,3
Issuance of common stock for cash December 2003	--	--	--	--	1,538,461	1,5
Issuance of common stock for cash December 2003	--	--	--	--	1,538,461	1,5
Issuance of common stock for cash December 2003	--	--	--	--	192,308	1
Issuance of common stock for cash December 2003	--	--	--	--	384,616	3
Issuance of preferred stock for service RP - December 2003	--	--	2,500,000	2,500	--	
Issuance of common stock for services December 2003	--	--	--	--	1,163,000	1,1
Net loss for the year ended 12/31/03	--	--	--	--	--	
Balance at December 31, 2003	1,500,000	$ 1,500	4,000,000	$4,000	49,771,260	$49,7
Issuance of common stock for cash January 2004	--	--	--	--	192,307	1
Issuance of common stock for cash February 2004	--	--	--	--	384,614	3
Issuance of common stock for cash February 2004	--	--	--	--	250,000	2
Issuance of common stock for cash February 2004	--	--	--	--	500,000	5

Issuance of common stock for services February 2004	--	--	--	--	425,000	4
Issuance of common stock for services February 2004	--	--	--	--	150,000	1
Issuance of common stock for services February 2004	--	--	--	--	150,000	1
Conversion of preferred stock to common stock March 2004	(500,000)	(500)	--	--	5,000,000	5,0
Conversion of preferred stock to common stock March 2004	(500,000)	(500)	--	--	5,000,000	5,0
Issuance of common stock for cash March 2004	--	--	--	--	384,614	3
Issuance of common stock for services June 2004	--	--	--	--	650,000	6
Issuance of common stock for cash September 2004	--	--	--	--	333,333	3
Issuance of common stock for cash October 2004	--	--	--	--	1,000,000	1,0
Issuance of common stock for services October 2004	--	--	--	--	500,000	5

	Acquisition Deposit	Loan collateral	Loan Fee	Stock Payable	Deficit accumulated during the development stage
Issuance of common stock for services September 2003	--	--	--	--	
Issuance of common stock for cash December 2003	--	--	--	--	
Issuance of common stock for cash December 2003	--	--	--	--	
Issuance of common stock for cash December 2003	--	--	--	--	
Issuance of common stock for cash December 2003	--	--	--	--	
Issuance of common stock for cash December 2003	--	--	--	--	
Issuance of preferred stock for service RP - December 2003	--	--	--	--	
Issuance of common stock for services					

December 2003	--	--	--	--	
Net loss for the year ended 12/31/03	--	--	--	--	(5,943,89
Balance at December 31, 2003	$ --	$ --	--	$ --	$(7,886,84
Issuance of common stock for cash January 2004	--	--	--	--	
Issuance of common stock for cash February 2004	--	--	--	--	
Issuance of common stock for cash February 2004	--	--	--	--	
Issuance of common stock for cash February 2004	--	--	--	--	
Issuance of common stock for services February 2004	--	--	--	--	
Issuance of common stock for services February 2004	--	--	--	--	
Issuance of common stock for services February 2004	--	--	--	--	
Conversion of preferred stock to common stock March 2004	--	--	--	--	
Conversion of preferred stock to common stock March 2004	--	--	--	--	
Issuance of common stock for cash March 2004	--	--	--	--	
Issuance of common stock for services June 2004	--	--	--	--	
Issuance of common stock for cash September 2004	--	--	--	--	
Issuance of common stock for cash October 2004	--	--	--	--	
Issuance of common stock for services October 2004	--	--	--	--	

	Preferred Stock Series A		Preferred Stock Series B		Common stock	
	Shares	Amount	Shares	Amount	Shares	Amou

Net loss for the year ended December 31, 2004	--	--	--	--	--	
	---------	-------	---------	------	----------	-----
Balance at December 31, 2004	500,000	$ 500	4,000,000	$4,000	64,691,128	$64,6
	=========	=======	=========	======	==========	=====
Issuance of common stock for services January 2005	--	--	--	--	500,000	5
Issuance of common stock for cash February 2005	--	--	--	--	500,000	5
Issuance of common stock for services March 2005	--	--	--	--	500,000	5
Issuance of common stock for cash March 2005	--	--	--	--	375,000	3
Issuance of common stock for cash June 2005	--	--	--	--	666,667	6
Issuance of common stock for cash June 2005	--	--	--	--	2,000,000	20
Issuance of common stock for cash July 2005	--	--	--	--	200,000	2
Issuance of common stock for cash July 2005	--	--	--	--	666,667	6
Issuance of common stock for cash July 2005	--	--	--	--	166,666	1
Conversion of preferred stock to common Stock August 2005	--	--	(2,500,000)	(2,500)	5,000,000	5,0
Issuance of common stock for cash September 2005	--	--	--	--	100,000	1
Issuance of common stock for cash September 2005	--	--	--	--	500,000	5
Issuance of common stock for cash November 2005	--	--	--	--	333,333	3
Issuance of common stock for cash November 2005	--	--	--	--	800,000	8
Issuance of common stock for cash November 2005	--	--	--	--	666,667	6
Issuance of common stock for cash December 2005	--	--	--	--	166,667	1
Net loss for the year ended December 31, 2005	--	--	--	--	--	
	---------	-------	---------	------	-----------	-----
Balance at December 31, 2005	500,000	$ 500	1,500,000	$1,500	77,832,795	$77,8
	=========	=======	=========	======	===========	=====
Issuance of common stock for cash February 2006	--	--	--	--	166,667	1

Conversion of preferred series B stock To common stock April 2006	--	--	(500,000)	(500)	1,000,000	1,0
Issuance of common stock for Services April 2006	--	--	--	--	950,000	9

	Acquisition Deposit	Loan collateral	Loan Fee	Stock Payable	Deficit accumulated during the development stage
Net loss for the year ended December 31, 2004	--	--	--	--	(2,455,8
Balance at December 31, 2004	$ --	$ --	--	$ --	$(10,342,7
Issuance of common stock for services January 2005	--	--	--	--	
Issuance of common stock for cash February 2005	--	--	--	--	
Issuance of common stock for services March 2005	--	--	--	--	
Issuance of common stock for cash March 2005	--	--	--	--	
Issuance of common stock for cash June 2005	--	--	--	--	
Issuance of common stock for cash June 2005	--	--	--	--	
Issuance of common stock for cash July 2005	--	--	--	--	
Issuance of common stock for cash July 2005	--	--	--	--	
Issuance of common stock for cash July 2005	--	--	--	--	
Conversion of preferred stock to common Stock August 2005	--	--	--	--	
Issuance of common stock for cash September 2005	--	--	--	--	
Issuance of common stock for cash September 2005	--	--	--	--	
Issuance of common stock for cash November 2005	--	--	--	--	
Issuance of common stock for cash November 2005	--	--	--	--	

Issuance of common stock for cash November 2005	--	--	--	--	
Issuance of common stock for cash December 2005	--	--	--	--	
Net loss for the year ended December 31, 2005	--	--	--	--	(1,736,6
Balance at December 31, 2005	$ --	$ --	--	$ --	$(12,079,3
Issuance of common stock for cash February 2006	--	--	--	--	
Conversion of preferred series B stock To common stock April 2006	--	--	--	--	
Issuance of common stock for Services April 2006	--	--	--	--	

	Preferred Stock Series A		Preferred Stock Series B		Common stock	
	Shares	Amount	Shares	Amount	Shares	Amou
Issuance of common stock for Acquisition Deposit April 2006	--	--	--	--	3,000,000	3,0
Issuance of common Stock for services May 2006	--	--	--	--	100,000	1
Issuance of common stock for services June 2006	--	--	--	--	250,000	2
Conversion of Preferred Series A To common Stock July 2006	(500,000)	(500)	--	--	5,000,000	5,0
Issuance of common stock for loan August 2006	--	--	--	--	4,000,000	4,0
Issuance of common Stock for collateral August 2006	--	--	--	--	7,500,000	7,5
Issuance of common stock for services November 2006	--	--	--	--	9,812,500	9,8
Issuance of common stock as deposit For acquisition November 2006	--	--	--	--	2,000,000	2,0
Issuance of common stock for additional Debt interest December 2006	--	--	--	--	464,278	4
Issuance of common stock for cash						

December 2006	--	--	--	--	166,667	1
Issuance of common stock for services December 2006	--	--	--	--	1,600,000	1,6
Fair market adjustment to stock for Deferred Construction Costs, December 2006	--	--	--	--	--	
Accretion of loan costs to interest Expense, December 2006	--	--	--	--	--	
Net loss as of December 31, 2006	--	--	--	--	--	
Balance at December 31, 2006	--	--	1,000,000	$1,000	113,842,905	$113,8
Issuance of common stock for services March 2007	--	--	--	--	1,000,000	1,0
Expense of Acquisition Deposit as Nullification Fee March 2007	--	--	--	--	--	--
Issuance of common stock for services April 2007	--	--	--	--	500,000	5
Issuance of common stock for services May 2007	--	--	--	--	1,100,000	1,1
Issuance of common stock for interest April 2007	--	--	--	--	89,438	
Issuance of common stock for Cash July 2007	--	--	--	--	2,000,000	2,0
Issuance of common stock for interest July 2007	--	--	--	--	39,800	
Issuance of common stock for services August 2007	--	--	--	--	1,300,000	1,3

	Acquisition Deposit	Loan collateral	Loan Fee	Stock Payable	Defici accumul during develop stag
Issuance of common stock for Acquisition Deposit April 2006	(450,000)	--	--	--	
Issuance of common Stock for services May 2006	--	--	--	--	
Issuance of common stock for services June 2006	--	--	--	--	
Conversion of Preferred Series A To common Stock July 2006	--	--	--	--	
Issuance of common stock for loan August 2006	--	--	(400,000)	--	

Issuance of common Stock for collateral August 2006	--	(750,000)	--	--	
Issuance of common stock for services November 2006	--	--	--	--	
Issuance of common stock as deposit For acquisition November 2006	(300,000)	--	--	--	
Issuance of common stock for additional Debt interest December 2006	--	--	--	--	
Issuance of common stock for cash December 2006	--	--	--	--	
Issuance of common stock for services December 2006	--	--	--	--	
Fair market adjustment to stock for Deferred Construction Costs, December 2006	--	--	--	--	
Accretion of loan costs to interest Expense, December 2006	--	--	130,000	--	
Net loss as of December 31, 2006	--	--	--	--	(1,8
Balance at December 31, 2006	$(750,000)	$(750,000)	$(270,000)	$ --	$(13,9
Issuance of common stock for services March 2007	--	--	--	--	
Expense of Acquisition Deposit as Nullification Fee March 2007	375,000	--	--	--	
Issuance of common stock for services April 2007	--	--	--	--	
Issuance of common stock for services May 2007	--	--	--	--	
Issuance of common stock for interest April 2007	--	--	--	--	
Issuance of common stock for Cash July 2007	--	--	--	--	
Issuance of common stock for interest July 2007	--	--	--	--	
Issuance of common stock for services August 2007	--	--	--	--	

Preferred Stock Series A	Preferred Stock Series B	Common stock

	Shares	Amount	Shares	Amount	Shares	Amou
Issuance of common stock for cash August 2007	--	--	--	--	1,200,000	1,2
Issuance of common stock for interest August 2007	--	--	--	--	149,369	1
Issuance of common stock for cash October 2007	--	--	--	--	100,000	1
Issuance of common stock for services November 2007	--	--	--	--	500,000	5
Issuance of common stock for cash December 2007	--	--	--	--	1,450,000	1,4
Issuance of common stock for services December 2007	--	--	--	--	200,000	2
Issuance of common stock for interest December 2007	--	--	--	--	105,775	1
Fair market adjustment to stock for Deferred Construction Costs, December 2007	--	--	--	--	--	
Accretion of loan costs to interest Expense December 2007	--	--	--	--	--	
Net loss as of December 31, 2007	--	--	--	--	--	
Balance at December 31, 2007	--	$ --	1,000,000	$1,000	123,577,287	$123,5
Cancellation of shares in relation To Architecture Acquisition Rescission	--	--	--	--	(3,000,000)	(3,00
Issuance of common stock for cash, March 2008	--	--	--	--	1,000,000	1,0
Issuance of common stock for cash, April 2008	--	--	--	--	625,000	6
Issuance of common stock for services, April 2008	--	--	--	--	2,375,000	2,3
Issuance of common stock for cash, May 2008	--	--	--	--	1,000,000	1,0
Issuance of common stock for cash, June 2008	--	--	--	--	1,000,000	1,0
Issuance of common stock for interest Expense and services, June 2008	--	--	--	--	5,200,000	5,2
Issuance of common stock for cash, August 2008	--	--	--	--	--	
Issuance of common stock for services, October 2008	--	--	--	--	250,000	2
Issuance of common stock for cash, December 2008	--	--	--	--	--	

Fair market value adjustment to stock For Deferred Construction Costs, December 2008	--	--	--	--	--	
Net loss as of December 31, 2008	--	--	--	--	--	
Balance at December 31, 2008	--	$ --	1,000,000	$1,000	132,027,287	$132,0

	Acquisition Deposit	Loan collateral	Loan Fee	Stock Payable	Defici accumula during t developm stage
Issuance of common stock for cash August 2007	--	--	--	--	
Issuance of common stock for interest August 2007	--	--	--	--	
Issuance of common stock for cash October 2007	--	--	--	--	
Issuance of common stock for services November 2007	--	--	--	--	
Issuance of common stock for cash December 2007	--	--	--	--	
Issuance of common stock for services December 2007	--	--	--	--	
Issuance of common stock for interest December 2007	--	--	--	--	
Fair market adjustment to stock for Deferred Construction Costs, December 2007	--	--	--	--	
Accretion of loan costs to interest Expense December 2007	--	--	270,000	--	
Net loss as of December 31, 2007	--	--	--	--	(2,4
Balance at December 31, 2007	$(375,000)	$(750,000)	$ --	$ --	$(16,4
Cancellation of shares in relation To Architecture Acquisition Rescission	375,000	--	--	75,000	
Issuance of common stock for cash, March 2008	--	--	--	--	
Issuance of common stock for cash, April 2008	--	--	--	--	
Issuance of common stock for services, April 2008	--	--	--	--	

Issuance of common stock for cash, May 2008	--	--	--	--	
Issuance of common stock for cash, June 2008	--	--	--	--	
Issuance of common stock for interest Expense and services, June 2008	--	--	--	--	
Issuance of common stock for cash, August 2008	--	--	--	20,000	
Issuance of common stock for services, October 2008	--	--	--	--	
Issuance of common stock for cash, December 2008	--	--	--	40,000	
Fair market value adjustment to stock For Deferred Construction Costs, December 2008	--	--	--	--	
Net loss as of December 31, 2008	--	--	--	--	(1,1
Balance at December 31, 2008	$ --	$(750,000)	$ --	$135,000	$(17,6

	Preferred Stock Series A		Preferred Stock Series B		Common stock	
	Shares	Amount	Shares	Amount	Shares	Amou
Issuance of common stock for services, February 2009	--	--	--	--	250,000	2
Issuance of common stock for services, March 2009	--	--	--	--	1,500,000	1,5
Issuance of common stock for cash, March 2009	--	--	--	--	2,000,000	2,0
Issuance of common stock for services, April 2009	--	--	--	--	375,000	3
Issuance of common stock for services, May 2009	--	--	--	--	3,000,000	3,0
Issuance of common stock for services, August 2009	--	--	--	--	7,250,000	7,2
Issuance of common stock for cash, August 2009	--	--	--	--	3,000,000	3,0

Conversion of preferred series B stock to common stock, September 2009	--	--	(1,000,000)	(1,000)	2,000,000	2,0
Issuance of common stock for cash, December 2009	--	--	--	--	--	
Common stock returned to treasury, December 2009	--	--	--	--	--	
Fair market value adjustment to stock For Deferred Construction Costs, December 2009	--	--	--	--	--	
Net loss as of December 31, 2009	--	--	--	--	--	
Balance at December 31, 2009	--	$ --	--	$ --	151,402,287	$151,4

	Acquisition Deposit	Loan collateral	Loan Fee	Stock Payable	Defici accumul during develop stag
Issuance of common stock for services, February 2009	--	--	--	--	
Issuance of common stock for services, March 2009	--	--	--	--	
Issuance of common stock for cash, March 2009	--	--	--	(40,000)	
Issuance of common stock for services, April 2009	--	--	--	--	
Issuance of common stock for services, May 2009	--	--	--	--	
Issuance of common stock for services, August 2009	--	--	--	--	
Issuance of common stock for cash, August 2009	--	--	--	--	
Conversion of preferred series B stock to common stock, September 2009	--	--	--	--	
Issuance of common stock for cash, December 2009	--	--	--	30,000	
Common stock returned to treasury, December 2009	--	--	--	(75,000)	
Fair market value adjustment to stock For Deferred Construction Costs, December 2009	--	--	--	--	
Net loss as of December 31, 2009	--	--	--	--	(1,

Balance at December 31, 2009	$ --	$(750,000)	$ --	$ 50,000	$(19,

The accompanying notes form an integral part of these consolidated financial statements.

VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	December 31, 2009	Dece 2
Cash Flows from Operating Activities:		
Net Loss	$ (1,463,187)	$ (1
Adjustments to reconcile net loss to net cash used by operating activities:		
Bad debt expense	250,000	
Depreciation	3,270	
Loss on disposal of fixed assets	2,229	
Issuance of common stock for services	243,750	
Issuance of common stock for nullification fee	--	
Issuance of common stock for accrued bonus	--	
Interest expense from the issuance of common stock	--	
Accretion of debt issuance costs	50,000	
Changes in assets and liabilities:		
Prepaid expenses	(12)	
Accounts payable and accrued expenses	276,742	
Accrued expenses - related party	308,000	
Accrued settlement obligation	--	
Net cash used in operating activities	(329,208)	
Cash flows from Investing Activities:		
Payments to acquire fixed assets	(4,538)	
Proceeds from advances - related party	--	
Net cash used in investing activities	(4,538)	
Cash flows from Financing Activities:		
Proceeds from notes payable, short term debt	--	
Proceeds from notes payable, due to related parties	238,000	
Payment on notes payable, short term debt	--	
Payment on notes payable, due to related parties	(2,000)	
Proceeds from the sale of preferred stock	--	
Proceeds from the sale of common stock	60,000	
Proceeds from common stock payable	30,000	
Payments for loan fees	--	
Payments for deferred financing costs	--	

Net cash provided by financing activities	326,000	
Net (decrease) increase in cash	(7,746)	
Cash, beginning of year	15,234	
Cash, end of year	$ 7,488	$
Cash paid for:		
Interest	$ 132	$
Income Taxes	$ --	$

The accompanying notes form an integral part of these consolidated financial statements.

VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(CONTINUED)

	December 31, 2009	Dece 2
Supplemental schedule of non-cash Investing and Financing Activities:		
Disposal of fixed assets	$ 4,447	$
Common stock issued for financing costs	$ --	$
Common stock issued for loan collateral	$ --	$
Deferred construction costs, adjusted to fair value	$ 63,282	$
Conversion of preferred shares into common stock	$ 2,000	$
Common stock issued as acquisition deposit	$ --	$
Common stock cancelled due to business combination cancellation	$ --	$
Common stock receivable (issued)	$ (75,000)	$
Common stock issued to satisfy common stock payable	$ (40,000)	$

The accompanying notes form an integral part of these consolidated financial statements.

VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION AND ORGANIZATION

Voyager Entertainment International, Inc. (the "Company"), a Delaware corporation formerly known as Dakota Imaging, Inc., was organized on January 31, 1991. The Company is in the entertainment development business with plans to develop the world's tallest Observation Wheel on the Las Vegas strip area. As the result of a reverse triangular merger that was completed in 2002, the financial statements are reflected from the period of inception of Outland Development in 1997. During April 2002, the Company changed its name from Dakota Imaging, Inc. to Voyager Entertainment International, Inc. and adopted a new fiscal year of December 31. On June 11, 2003, the Company became a Nevada Corporation.

As used in these Notes to the Consolidated Financial Statements, the terms the "Company", "we", "us", "our" and similar terms refer to Voyager Entertainment International, Inc. and, unless the context indicates otherwise, its consolidated subsidiaries. The Company's wholly-owned subsidiaries include Voyager Ventures, Inc. ("Ventures"), a Nevada corporation, Outland Development, LLC ("Outland"), a Nevada Limited Liability Corporation, Voyager Entertainment Holdings, Inc. ("VEHI"), a Nevada corporation, and Voyager Viridian, LLC ("Viridian"), a Nevada Limited Liability Corporation. Voyager Ventures, Inc. was discontinued as of December 31, 2007. Outland Development, LLC has been a dormant company and was discontinued as of June 30, 2009. Voyager Viridian LLC, a wholly-owned subsidiary, was formed on August 3, 2009.

The Company is considered a development stage company. The accompanying financial statements have been prepared in accordance with authoritative guidance for development stage entities. A development stage entity is one in which planned principal operations has not commenced or if its operations have commenced, there has been no significant revenues there from.

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany transactions and accounts have been eliminated in consolidation.

GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplate continuation of the Company as a going concern. However, the Company has not begun generating revenue, is considered a development stage company, has experienced recurring net operating losses, had a net loss of $1,463,187 and $1,188,347 for the years ended December 31, 2009 and 2008, and a working capital deficiency of $6,465,998 at December 31, 2009. These factors raise substantial doubt about the Company's ability to continue as a going concern. The Company will need to raise a substantial amount of capital in order to continue its business plan. Management intends to initiate their business plan and will continue to seek out joint venture partners, attempt to locate the appropriate location for the L.V. Project, as well as other projects, and continually seek funding opportunities. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

For the Statements of Cash Flows, all highly liquid investments with maturity of three months or less are considered to be cash equivalents. There were no cash equivalents as of December 31, 2009 or December 31, 2008.

Concentrations

The Company maintains cash balances at a financial institution in Nevada. Accounts at this institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. From time to time the Company's cash balance may exceed the FDIC limits. At December 31, 2009 and December 31, 2008, the Company did not have any accounts in excess of the FDIC limits.

Due to the uniqueness of the Observation Wheel, we may encounter concentrations with certain vendors who specialize in this type of construction. As of December 31, 2009 and 2008, construction activities had not started.

Fixed Assets

Furniture, fixtures and equipment are stated at cost less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on a straight-line basis. Estimated service lives of property and equipment is 3 years.

Income Taxes

Income taxes are provided for using the liability method of accounting in accordance with the Income Taxes Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The computation of limitations relating to the amount of such tax assets, and the determination of appropriate valuation allowances relating to the realizing of such assets, are inherently complex and require the exercise of judgment. As additional information becomes available, we continually assess the carrying value of our net deferred tax assets.

Stock Based Compensation

Stock based compensation is accounted for using the Equity-Based Payments to Non-Employee Topic of the FASB ASC, which establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. We determine the value of stock issued at the date of grant. We also determine at the date of grant the value of stock at fair market value or the value of services rendered (based on contract or otherwise) whichever is more readily determinable.

Shares issued to employees are expensed upon issuance.

Stock based compensation for employees is account for using the Stock Based Compensation Topic of the FASB ASC. We use the fair value method for equity instruments granted to employees and will use the Black Scholes model for measuring the fair value of options, if issued. The stock based fair value compensation is determined as of the date of the grant or the date at which the performance of the services is completed (measurement date) and is recognized over the vesting periods.

Net Loss Per Common Share

Earnings per share is calculated in accordance with the Earnings per Share Topic of the FASB ASC. The weighted-average number of common shares outstanding during each period is used to compute basic earnings (loss) per share. Diluted earnings per share is computed using the weighted average number of shares plus dilutive potential common shares outstanding. Potentially dilutive common shares consist of employee stock options, warrants, and other convertible securities, and are excluded from the diluted earnings per share computation in periods where the Company has incurred net loss. During the years ended December 31, 2009 and 2008, respectively, the Company incurred a net loss, resulting in no potentially dilutive common shares.

Fair Value

The carrying amounts reflected in the consolidated balance sheets for cash, accounts payable and accrued expenses approximate the respective fair values due to the short maturities of these items. The Company does not hold any investments that are available-for-sale.

Advertising

Advertising costs are charged to operations as incurred. Advertising costs for the years ended December 31, 2009 and 2008 were $0 and $75, respectively.

Fair Value Accounting

As required by the Fair Value Measurements and Disclosures Topic of the FASB ASC, fair value is measured based on a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and (Level 3) unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The three levels of the fair value hierarchy are described below:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

RECENTLY ADOPTED AND RECENTLY ISSUED ACCOUNTING GUIDANCE

Adopted

On September 30, 2009, the Company adopted changes issued by the FASB to the authoritative hierarchy of GAAP. These changes establish the FASB Accounting Standards CodificationTM as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. Rules and interpretive releases of the Securities and Exchange Commission ("SEC") under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The FASB no longer issues new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Abstracts; instead the FASB issues Accounting Standards Updates. Accounting Standards Updates are not authoritative in their own right as they only serve to update the Codification. These changes and the Codification itself do not change GAAP. Other than the manner in which new accounting guidance is referenced, the adoption of these changes had no impact on the Financial Statements.

In April 2009, the FASB issued authoritative guidance for "Interim Disclosures about Fair Value of Financial Instruments," which requires disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. This guidance also requires those disclosures to be in summarized financial information at interim reporting periods. This guidance is effective for interim reporting periods ending after June 15, 2009. The Company adopted this guidance in the second quarter of 2009 and it did not have a material impact on the financial statements.

In April 2009, the FASB issued authoritative guidance for the "Recognition and Presentation of Other-Than-Temporary Impairments" in order to make existing guidance more operational and to improve the presentation and disclosure of other-than-temporary impairments on debt and equity securities in the financial statements. The Company adopted this guidance in the second quarter of 2009 and it did not have a material impact on the financial statements.

In April 2009, the FASB issued authoritative guidance for "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly." This guidance provides additional direction for estimating fair value in accordance with established guidance for "Fair Value Measurements," when the volume and level of activity for the asset or liability have significantly decreased. This guidance also includes direction on identifying circumstances that indicate a transaction is not orderly. This guidance is effective for interim and annual reporting periods ending after June 15, 2009. The Company adopted this guidance in the second quarter of 2009 and it did not have a material impact on the financial statements.

In June 2009, the FASB issued authoritative guidance which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. This guidance applies to both interim financial statements and annual financial statements and is effective for interim or annual financial periods ending after June 15, 2009. This guidance does not have a material impact on our financial statements.

Issued

In June 2009, the FASB issued authoritative guidance for "Accounting for

Transfers of Financial Assets," which eliminates the concept of a "qualifying special-purpose entity," changes the requirements for derecognizing financial assets, and requires additional disclosures in order to enhance information reported to users of financial statements by providing greater transparency about transfers of financial assets, including securitization transactions, and an entity's continuing involvement in and exposure to the risks related to transferred financial assets. This guidance is effective for fiscal years beginning after November 15, 2009. The Company will adopt this guidance in fiscal 2010 and does not expect that the adoption will have a material impact on the consolidated financial statements.

In June 2009, the FASB issued authoritative guidance amending existing guidance. The amendments include: (1) the elimination of the exemption for qualifying special purpose entities, (2) a new approach for determining who should consolidate a variable-interest entity, and (3) changes to when it is necessary to reassess who should consolidate a variable-interest entity. This guidance is effective for the first annual reporting period beginning after November 15,

2009 and for interim periods within that first annual reporting period. The Company will adopt this guidance in fiscal 2010. The Company does not expect that the adoption will have a material impact on the consolidated financial statements.

In October 2009, the FASB issued changes to revenue recognition for multiple-deliverable arrangements. These changes require separation of consideration received in such arrangements by establishing a selling price hierarchy (not the same as fair value) for determining the selling price of a deliverable, which will be based on available information in the following order: vendor-specific objective evidence, third-party evidence, or estimated selling price; eliminate the residual method of allocation and require that the consideration be allocated at the inception of the arrangement to all deliverables using the relative selling price method, which allocates any discount in the arrangement to each deliverable on the basis of each deliverable's selling price; require that a vendor determine its best estimate of selling price in a manner that is consistent with that used to determine the price to sell the deliverable on a standalone basis; and expand the disclosures related to multiple-deliverable revenue arrangements. These changes become effective on January 1, 2011. The Company has determined that the adoption of these changes will not have an impact on the consolidated financial statements, as the Company does not currently have any such arrangements with its customers.

NOTE 2. DEFERRED FINANCING COSTS

The Company entered into a financing agreement dated July 11, 2007 which expired July 11, 2009. Deferred financing costs of $50,000 were paid towards this agreement in 2007. No services have been performed or additional financing received in relation to the agreement since its inception. These deferred financing costs have been fully accreted as of December 31, 2009.

NOTE 3. ADVANCES - RELATED PARTY

In 2006, the Company entered into a note with Diversified Lending, see Note 6. From the proceeds of the debt facility we issued $500,000 to Western Architectural Services, LLC ("Western") and recorded an Advance - Related Party on our balance sheet. Our Chief Operating Officer is also the Chief Executive Officer of Western. The repayment of this advance is contingent upon the production of the project. We have analyzed the collectability of this note as of December 31, 2009 and concluded that, with current economic conditions, it is unknown whether production can be secured within the next twelve months. The

Company has recognized an allowance of $250,000 as of December 31, 2009. In the event that the Company secures a project site and sufficient project funding, the allowance against the advance will be reversed in reevaluation for realizable collectability. No allowance for collectability was deemed necessary at December 31, 2008.

NOTE 4. FIXED ASSETS

Fixed assets and accumulated depreciation consists of the following:

	December 31, 2009	December 31, 2008
Computer equipment	$ 47,190	$ 49,328
Accumulated depreciation	(42,214)	(43,391)
	$ 4,976	$ 5,937

NOTE 5. ACCRUED EXPENSES

Accrued expenses consist of the following:

	December 31, 2009	December 31, 2008
Accounts Payable	$ 151,320	$ 56,331
Accrued Interest	1,486,801	1,230,049
	$1,638,121	$1,286,380

NOTE 6. NOTES PAYABLE

Line of Credit

On November 19, 2002, the Company entered into a line of credit financing agreement which entitled the Company to borrow from a creditor up to an aggregate of $2,500,000. Advances under this line of credit were based on

achievement of certain milestones pursuant to the agreement. Upon the receipt of funds, the Company was required to issue up to 1,500,000 shares of its common stock on a pro rata basis.

The Company borrowed $605,000 against this line of credit and issued 1,500,000 shares. The balance payable under this line of credit was due on April 15, 2003 and was secured by all of the Company's assets.

The original line of credit bore interest at the rate of 12% per annum. This line of credit has expired and no principal or accrued interest has been paid back. Consequently, during the year ended December 31, 2003, the Company agreed to pay 100% interest related to this line of credit. Interest of $605,000 has been accrued and included in accrued expenses in the accompanying consolidated financial statements.

As of December 31, 2009 and 2008, the total obligation including loans of $605,000, and accrued interest of $605,000, amounted to $1,210,000. The debt holder has agreed to be repaid from those funds received by the Company at its next project funding. If the Company does not receive significant project funding it will not be able to repay the debt. As collateral for the Loan and Security Agreement the debt holder filed a UCC-1 against the assets and intellectual property of the Company giving the debt holder the right to institute foreclosure proceedings against the Company. Foreclosure proceedings could be instituted at any time if the debt holder believes that he will not be repaid. As of the date of these financial statements the debt holder has not indicated any intentions to institute foreclosure proceedings.

This line of credit, in addition to our other debt obligations, is to be repaid upon our initial project funding.

Diversified Lending

On September 5, 2006, the Company entered into a note payable with Diversified Lending Group, Inc. for $1,250,000. The Company is a joint tenant with Western Architectural Services, LLC ("Western") in this debt which bears interest of 14% and is due upon our first substantial project funding. As of December 31, 2007, Western paid directly to Diversified Lending Group, Inc. six months of interest for the original loan. We accounted for this as both interest income and interest expense of $87,500 for the fiscal year ended December 31, 2008. As stated in the agreement, the Company could extend the Maturity Date of the loan one time for a period of six months, which the Company exercised for a fee of 3% of the loan amount or $37,500 (Western paid to the Company $18,750 as their part of the loan extension). We accounted for Western's three months of interest due to the extension as both interest income and interest expense of $43,750 for the fiscal year ended December 31, 2008.

In February 2009, management and the note holder negotiated an amendment to the note payable, effective February 5, 2008, to extend the terms of the note. Per the amended agreement, the note is not in default and interest is to continue to be accrued on the principal balance of $1,250,000 at the original rate of 14% per annum. An original maturity date of one year from the issuance was amended so that the unpaid interest and principal balances are due sixty days after our first substantial project funding exceeding $15,000,000. As of December 31, 2009, an aggregate balance of $1,597,863 remained unpaid.

This loan, in addition to our other debt obligations, is to be repaid upon our initial project funding.

As consideration for the loan, the Company was required to pay $50,000 and issue 4,000,000 shares of its common stock, both of which have been completed. Also, to collateralize the loan, the Company was required to issue 7,500,000 shares of its common stock. The promissory note also holds an anti-dilution clause where the Company is required to issue additional shares of its common stock to the debt holder so their 4% ownership is not diluted. As of December 31, 2009 and 2008, respectively, our loan fees paid with common stock have been fully expensed and our loan collateral paid with common stock was $750,000 at both period end dates.

At December 31, 2009 and December 31, 2008, we accrued an additional $12,585 and $22,903 respectively, of interest relating to the year end dilution calculation. As a result, 1,307,431 additional shares are to be issued upon the publication of the financial statements.

As the loan collateral, loan fees and anti-dilution components of the agreement (as described above) are dominated in Company's common stock, the Company maintains the full risk of loss and we have recorded the full debt component on our balance sheet.

From the proceeds of the debt facility we issued $500,000 to Western and recorded an Advance - Related Party on our balance sheet, see Note 3.

NOTE 7. LOAN AND SETTLEMENT PAYABLE

Our loans and settlement payable have no stated interest rate, are due on demand and are unsecured. Interest has been accrued at an estimated market interest rate of 8%, is included in accrued expenses, and totaled $533,709 as of December 31, 2009 and $462,277 as of December 31, 2008.

The original loan balance was $228,239 and the proceeds were received and used for operating capital during the year ended December 31, 2002. In March 2003, a claim of $1,460,000 was asserted by the lender. Although management believed the claims were frivolous, due to the additional resources needed by management to defend against these claims and the likely distraction of management's efforts from moving forward with the Company's business plan, a settlement agreement was executed with the lender in August 2003. Pursuant to the Settlement Agreement, the Company agreed to pay a settlement amount of an additional $650,000, without claiming any fault or wrong doing.

As of December 31, 2009, the total obligation included loans of $228,239 in principal and the settlement obligation of $650,000, plus total accrued interest of $533,709 amounting to an aggregate of $1,411,948. One half of this amount, or $705,974 is due and payable at the closing of the first round of project funding and the remaining balance is due and payable at the closing of any subsequent project funding, neither of which have occurred as of December 31, 2009. Since the loan payable does not have a maturity date, the entire balance has been presented as a current liability. The debt holder is a shareholder in our Company and owns approximately 7.4 million shares of our common stock.

This settlement, in addition to our other debt obligations, is to be repaid upon our initial project fundings.

NOTE 8. RELATED PARTY TRANSACTIONS AND ACQUISITION

	December 31, 2009	December 31, 2008
Accrued Expenses - Related Party		
Bonuses	$ 760,000	$ 760,000
Consulting Fees	1,018,000	710,000
	1,778,000	1,470,000
Due to Related Party		
Officer and Director Loans	--	210,000
Western Loans	576,000	130,000
	576,000	340,000
Total Related Party Liability	$2,354,000	$1,810,000

As of December 31, 2009, the Company had accrued expenses due to related parties of $1,778,000 and loans due to related parties of $576,000. We have a total liability to related parties of $2,354,000 as of December 31, 2009 compared to $1,810,000 as of December 31, 2008. The increase of $544,000, or 30%, is primarily due to the lack of funds to pay our related parties and our other creditors. As a result of the lack of funds, our related parties have provided loans to the Company throughout the operating year.

Synthetic Systems, Inc.

During each of the years ended December 31, 2007 and 2006, the Company awarded a bonus of $380,000 payable to Synthetic Systems, Inc., an entity jointly owned by its Chief Executive Officer and Secretary. No bonuses were issued for the years ending December 31, 2009 or 2008.

During the years ended December 31, 2009 and 2008, the Company incurred consulting fees of approximately $37,000 and $35,000, respectively, per month to Synthetic Systems, Inc., for a respective total of $444,000 and $420,000 in each years then ending. The Company paid furniture and equipment lease of $13,800, or $1,150 per month, as of December 31, 2009 and 2008. The Company also paid on behalf of Synthetic Systems Inc., office rent expenses of $34,122 and $34,172 for the fiscal years ending December 31, 2009 and 2008, respectively.

At December 31, 2009, accrued expenses - related party consists of the $760,000 unpaid bonus balance plus $1,018,000 in unpaid consulting fees to Synthetic Systems discussed above.

Directors and Officers

On occasion, our Officers and Directors will loan funds to the Company so that we can continue our operations.

In December, 2007, we borrowed $25,000 from our Chief Operating Officer ("COO"). The amount is unsecured, carries no interest and is due upon demand.

During 2008, we borrowed $185,000 from our COO. The amounts are unsecured, carry no interest and are due upon demand.

As an incentive for the borrowed funds, the Company issued the COO 3,000,000 shares of common stock valued at $0.05 per share on June 13, 2008. The issuance of common stock resulted in a $150,000 increase in interest expense.

As of December 31, 2008 an aggregate amount of $210,000 remained payable to the COO.

The COO of the Company is also the Chief Executive Officer of Western Architectural Services, LLC ("Western"). During the fourth quarter of 2009, we have assessed and clarified the loans received from both the COO and Western. The Company has determined that the $210,000 loan is payable to Western. This reclassification has no financial statement ramifications and has been made to better streamline the related party transactions of the Company.

During 2008, we borrowed and repaid $10,500 from our Secretary. In addition to the loans, we paid $83 in interest expense.

During 2009, we borrowed and repaid $2,000 from our Secretary. In addition to the loans, we paid $9 in interest expense.

As of December 31, 2009, there were no loans payable to Officers and Directors of the Company.

Western Architectural Services, LLC

During February 2004, the Company paid $300,000 in cash to Western, an entity owned by the Company's Chief Operating Officer and director of the Company pursuant to a Contractor Agreement between Western and the Company to design and build a car for the Voyager project and conduct a feasibility study. As site locations have been modified for the project, the feasibility study has been modified by Western under this contract.

On May 30, 2002, the Company executed a Contractor Agreement with Western where Western will provide to the Company certain architectural services for the L.V. Project in exchange for which the Company issued 2,812,500 shares of restricted common stock to Western. Although he was not an affiliate of the Company upon execution of the Contractor Agreement, Western's Chief Executive Officer is currently our Chief Operating Officer, a director and significant stockholder of the Company. We have accounted for these shares as Deferred Construction Costs in these financial statements.

Western plans to sell the amount of common stock at the time, before, and during the contract to purchase supplies and pay subcontractors. At the time the contract was issued the shares of the Company were trading at $6.50 per share. The current stock price of the Company has a trading range of $0.001 to $0.035. If at the time Western performs the services contracted and the share price is below $6.50 per share, the Company will be required to issue new shares to Western in order for the contract to be fulfilled. Western's Chief Executive Officer, Tracy Jones, is currently an affiliate of the Company which will also limit the amount of shares that can be sold based on the trading volume and shares outstanding in accordance with Rule 144 of the Securities Act of 1933. As of December 31, 2009, we have marked these shares to market in accordance with authoritative guidance, using the year end closing price of our stock. The change in valuation adjusts additional-paid in capital due to the deferred construction cost nature of these shares. As of December 31, 2009 and 2008, the value of the deferred construction costs was $21,093 and $84,375, respectively.

In 2006, the Company entered into a note with Diversified Lending, see Note 6. From the proceeds of the debt facility we issued $500,000 to Western and recorded an Advance - Related Party on our balance sheet with an allowance of $250,000 as of December 31, 2009. In the event that the Company secures a project site and sufficient project funding, the allowance against the advance will be reversed in reevaluation for realizable collectability.

In March 2007, we borrowed $100,000 from Western. The amount is unsecured, carries no interest and is due upon demand.

In December 2008, we borrowed $30,000 from Western. The amount is unsecured, carries no interest and is due upon demand.

During 2009, we borrowed $236,000 from Western. The amount is unsecured, carries no interest and is due upon demand.

During the fourth quarter of 2009, we have assessed and clarified the loans received from both the COO of the Company and Western. The Company has reclassified $210,000 in related party loans to Western. This reclassification has no financial statement ramifications and has been made to better streamline the related party transactions of the Company. These loans are unsecured, carry no interest, and are due upon demand.

As of December 31, 2009, an aggregate of $576,000 payable to Western remained.

Acquisition

On April 10, 2006, Voyager entered into a Unit Purchase (Buy-Sell) Agreement ("Agreement") to acquire all the outstanding units of Western in exchange for a total of 5,000,000 shares of Voyager's common stock. On September 11, 2006, Voyager believed it had fully completed the necessary due diligence pursuant to the Agreement and consequently delivered the Shares consideration as required for the final closing. Upon further evaluation of Voyager's due diligence of Western pursuant to Section 2.02 of the Agreement, it was determined that the existing limited liability company ("LLC") operating agreement of Western would need to be modified in order for Voyager to continue the existing operations of Western.

On March 30 2007, Voyager and Western were not able to come to acceptable terms with regards to the needed changes to the LLC operating agreement and therefore canceled the Agreement since the transaction did not meet all the requirements of Section 2.02 of the Agreement and was deemed as if the acquisition transaction was never closed.

As a result, the acquisition was nullified effective March 30, 2007. As a result of the nullification of the acquisition transaction, 2,500,000 shares of common stock were to be returned to the Company for cancellation and returned to the treasury. The remaining 2,500,000 shares were accounted for as a fee for the nullification in our statement of operations as of December 31, 2007. The shares were valued at fair value of $0.15 per share for a total value of $375,000. On February 7, 2008, the share certificate for 3,000,000 shares was returned to the Company under the March 30, 2007 agreement. We have accounted for the 500,000 excess shares as a common stock payable due to Western for $75,000 at December 31, 2009.

NOTE 9. EXTINGUISHMENT OF ACCRUED EXPENSE

On August 12, 2002, the Company entered into a consulting agreement with an independent third party to assist us in financing objectives. Per the agreement, the Company was required to pay a $100,000 commitment fee which we accrued at the time expecting performance from the third party. Performance never occurred and the commitment fee was not paid; therefore, the agreement was never executed.

In accordance with the Nevada statute of limitations law, the Company's promise to pay has expired and was written off, resulting in a $100,000 decrease in consulting fees as of December 31, 2008.

NOTE 10. COMMITMENTS AND CONTINGENCIES

The Company shares office space with Synthetic Systems as previously disclosed in Note 8. The lease is a month to month sublease. The Company has no other commitments.

NOTE 11. STOCKHOLDERS' EQUITY

The authorized stock of the Company consists of 200,000,000 shares of $0.001 par value common stock and 50,000,000 shares of $0.001 par value preferred stock. For our preferred stock we have designated two series: 1,500,000 shares of Series A Preferred Stock and 10,000,000 shares of Series B Preferred Stock.

PREFERRED STOCK

Convertible Preferred Stock - Series A

The Series A convertible preferred stock carries the following rights and preferences:

- 10 to 1 voting rights per share
- Each share has 10 for 1 conversion rights to shares of common stock
- No redemption rights

During 2002, prior to the conversion of Dakota Imaging Inc. and Voyager Entertainment International, Inc., the Company issued 2,160,000 shares of convertible preferred stock as consideration for cash and services, of which 660,000 shares were immediately converted to shares of common stock, resulting in the Company having 3,660,000 shares of common stock outstanding.

In February 2002, upon the conversion of Dakota Imaging Inc. and Voyager Entertainment International, Inc., 2,160,000 shares of the Series A convertible preferred stock were immediately converted into 21,600,000 shares of common stock, resulting in a balance of 1,500,000 shares of convertible preferred stock designated.

On March 5, 2004, Richard Hannigan, the Company's CEO, converted 500,000 Series A Preferred shares into 5,000,000 shares of common stock of the Company.

On March 31, 2004, a former officer and director converted 500,000 Series A Preferred shares into 5,000,000 shares of common stock of the Company.

In September 2006, 500,000 Series A Preferred shares were converted into 5,000,000 shares of common stock of the Company by a non-officer.

Convertible Preferred Stock - Series B

The Series B convertible preferred stock carries the following rights and preferences:

- o 2 to 1 voting rights per share
- o Each share has 2 for 1 conversion rights to shares of common stock
- o No redemption rights
- o Preferential liquidation rights to Series A preferred stock and common stock
- o Anti-dilution clauses in the event of a reverse split

In June 2003, the Company sold 1,000,000 of the Series B Preferred Stock Shares for total cash consideration of $100,000 to one investor at $0.10 per share. The Company recognized a beneficial conversion feature of $80,000 accounted for as a preferred stock dividend during the year. Since these shares are immediately convertible into common stock of the Company, the Company recognized the dividend immediately.

In August 2003, the Company sold 500,000 of the Series B Preferred Stock Shares for total cash consideration of $50,000 to one investor at $0.10 per share. The Company recognized a beneficial conversion feature of $50,000 accounted for as a preferred stock dividend during the year. Since these shares are immediately convertible into common stock of the Company, the Company recognized the dividend immediately.

In December 2003, the Company issued 2,500,000 of the Series B Preferred Stock Shares for total consideration valued at $2,350,000, or $0.94 per share, to its officer-stockholders. The fair value of the services received was determined based on the fair value of the underlying trading common stock.

In August 2005, the Company's CEO converted 1,000,000 Series B Preferred shares into 2,000,000 shares of common stock of the Company.

In August 2005, the Company's Secretary converted 1,000,000 Series B Preferred shares into 2,000,000 shares of common stock of the Company.

In August 2005, an entity controlled by an officer and director of the Company converted 500,000 Series B Preferred shares into 1,000,000 shares of common stock of the Company.

In May 2006, an officer and director of the Company converted 500,000 Series B

Preferred Shares into 1,000,000 shares of common stock of the Company.

In September 2009, an investor converted 1,000,000 Series B Preferred shares into 2,000,000 shares of common stock of the Company.

No preferred shares were issued as of December 31, 2009.

Common Stock Issuances

On February 15, 2002, the Company sold 800,000 restricted shares of common stock at a price of $0.50 per share for $400,000, which represented the fair market value of the common stock on date of issuance.

On April 5, 2002, the Company issued 200,000 restricted shares of common stock in exchange for services performed totaling $200,000. The fair market value of the common stock on the date of issuance totaled $400,000. Therefore, the Company has recognized stock discount expense of $200,000.

On May 30, 2002, the Company executed a Contractor Agreement with Western where Western will provide to be determined architectural services to the Company for its Las Vegas Observation Wheel Project. The Company issued 2,812,500 shares of restricted common stock in consideration for Western's contract sum of $18,141,533 classified as deferred construction costs. See Note 8 above.

During June 2002, the Company sold 50,000 restricted shares of common stock at a price of $3.00 per share solely to accredited investors for cash consideration totaling $150,000, which represents the fair market value of the common stock on date of issuance. Since the cash consideration received was from unrelated parties, it was determined to best represent the fair market value of the shares on the transaction date.

On October 28, 2002, the Company entered into a professional architectural services agreement with an architect firm in exchange for 600,000 shares of common stock. The Company's stock must be issued within 10 days of the agreement. In addition, the Company is responsible for reimbursement of expenses.

On November 19, 2002, the Company entered into a line of credit financing in the amount of $1,000,000 in exchange for 650,000 shares of common stock. The fair market value of the trading common stock on the date of issuance totaled $163,150.

On December 9, 2002, the Company entered into a consulting agreement in exchange for 325,000 shares of common stock. The fair market value of the trading common stock on the date of issuance totaled $75,075.

In September 2003, the Company sold 769,222 shares of common stock for total cash consideration of $100,000 to one investor, which represents the fair market value of the common stock on date of issuance. Since the cash consideration received was from unrelated parties, it was determined to best represent the fair market value of the shares on the transaction date. The common stock was offered in reliance upon the private offering exemptions contained in Sections 3(b) and 4(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated there under.

In September 2003, the Company also issued 625,000 shares of restricted common stock to two individuals for consulting services rendered. These shares were valued at the trading fair market value of $0.16 per share or total compensation cost of $100,000.

In December 2003, an investor entered into an agreement to purchase 1,346,154 additional shares of common stock for cash proceeds of $175,000. These shares were purchase and issued as follows: In January 2004, $25,000 was received from the sale of 192,307 shares of common stock pursuant to a purchase agreement from December 2003, In February 2004, $50,000 was received from the sale of 384,614 shares of common stock pursuant to a purchase agreement from December 2003, In March 2004, $100,000 was received from the sale of 769,228 shares of common stock pursuant to a purchase agreement from December 2003,

The common stock above was offered in reliance upon the private offering exemptions contained in Sections 3(b) and 4(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated there under.

In February 2004, $300,000 was received for 750,000 shares of common stock. The common stock was offered in reliance upon the private offering exemptions contained in Sections 3(b) and 4(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated there under.

During February 2004, the Company also issued 725,000 shares of restricted common stock to three consultants for services rendered. These shares were valued at the fair market value ranging from $0.75 to $0.80 per share for total consideration of $558,750.

On March 5, 2004, the Company's CEO converted 500,000 Series A Preferred shares into 5,000,000 shares of common stock of the Company.

On March 31, 2004, a former officer and director converted 500,000 Series A Preferred shares into 5,000,000 shares of common stock of the Company.

On June 17, 2004, the Company initiated negotiations to potentially purchase a parcel of property in Las Vegas, Nevada. At that time, the Company issued 500,000 shares of common stock as an incentive to the owner of that property which will not be recovered regardless of whether the Company completes the transaction. The shares were valued at the fair market value of $0.49 per share for a total of $245,000.

On June 30, 2004, the Company issued 150,000 shares of common stock to an individual for services rendered. These shares were valued at the fair market value of $0.52 per share for total consideration of $78,000.

In September 2004, $50,000 was received for 333,333 shares of common stock. The common stock was offered in reliance upon the private offering exemptions contained in Sections 3(b) and 4(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated there under.

In October 2004, $150,000 was received for 1,000,000 shares of common stock. The common stock was offered in reliance upon the private offering exemptions contained in Sections 3(b) and 4(6) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated there under.

In October 2004, the Company issued 500,000 shares of common stock to an individual for services rendered. These shares were valued at the fair market value of $0.11 per share for total consideration of $55,000.

In January 2005, the Company issued 500,000 shares of common stock for consulting services rendered in the first quarter of 2005. These shares were valued at the fair value of $0.15 per share for total compensation of $75,000.

In February 2005, $100,000 was received for 500,000 shares of common stock at $0.20 per share.

In March 2005, $75,000 was received for 375,000 shares of common stock at $0.20 per share.

In March 2005, the Company issued 500,000 shares of common stock for consulting services rendered. These shares were valued at the fair value of $0.32 per share for total compensation of $160,000.

In June 2005, $400,000 was received for 2,666,667 shares of common stock at $0.15 per share.

In July 2005, $125,000 was received for 833,333 shares of common stock at $0.15 per share.

In July 2005, the Company issued 200,000 shares of common stock for consulting services rendered. These shares were valued at the fair value of $0.35 per share for total compensation of $70,000.

In August 2005, the Company's CEO converted 1,000,000 Series B Preferred shares into 2,000,000 shares of common stock of the Company.

In August 2005, the Company's Secretary converted 1,000,000 Series B Preferred shares into 2,000,000 shares of common stock of the Company.

In August 2005, an entity controlled by an officer and director of the Company converted 500,000 Series B Preferred shares into 1,000,000 shares of common stock of the Company.

In September 2005, the Company issued 600,000 shares of common stock for consulting services rendered. These shares were valued at the fair value of $0.33 per share for total compensation of $198,000.

In November 2005, $25,000 was received for 166,667 shares of common stock at $0.15 per share.

In December 2005, $270,000 was received for 1,800,000 shares of common stock at $0.15 per share.

In February 2006, $25,000 was received for 166,667 shares of common stock at $0.15 per share.

In April 2006, the Company issued 3,000,000 shares of common stock in anticipation of the Western merger, see Note 8. These shares were valued at fair value of $0.15 per share or $450,000.

In April 2006, the Company issued 950,000 shares of common stock for consulting services rendered. These shares were valued at the fair value on the date of grant of $0.15 per share for total compensation of $142,500.

In May 2006, an officer and director of the Company converted 500,000 Series B Preferred Shares into 1,000,000 shares of common stock of the Company.

In May 2006, the Company issued 100,000 shares of common stock for consulting services rendered. These shares were valued at the fair value of $0.16 per share on the date of grant for total compensation of $16,000.

In June 2006, the Company issued 250,000 shares of common stock for consulting services rendered. These shares were valued at the fair value per share of $0.14 per share on the date of grant for total compensation of $35,000.

In September 2006, 500,000 Series A Preferred shares were converted into 5,000,000 shares of common stock of the Company by a non-officer.

In August 2006, the Company issued 4,000,000 and 7,500,000 shares of common stock in association with loan origination costs and collateral for the loan, valued at fair value on the issuance date at $0.10 per share for a total value of $400,000 and $750,000, respectively.

In November 2006, the Company issued 9,812,500 shares of common stock for consulting services rendered. These shares were valued at the fair value of $0.08 per share on the date of grant for total compensation of $750,000.

In November 2006, the Company issued 2,000,000 shares of common stock in anticipation of the Western merger, see Note 8. These shares were valued at fair value of $0.15 per share for a total value of $300,000.

In December 2006, the Company issued 464,278 shares of common stock due to the anti-dilution clause in our debt agreement, see Note 6 above. The shares were valued at the fair value of $0.06 per share

In December 2006, $25,000 was received for 166,667 shares of common stock at $0.15 per share.

In December 2006, the Company issued 1,000,000 shares of common stock for consulting services rendered. 1, 000,000 shares were valued at the fair value of $.058 per share on the date of grant for total compensation of $58,000 and 600,000 shares were valued at the fair value of $0.06 per share for a total value of $36,000.

In March 2007, the Company issued 1,000,000 shares of common stock for consulting services rendered. These shares were valued at the fair value on the date of grant for total compensation of $98,000 or $0.098.

In April 2007, the Company issued 500,000 shares of common stock for consulting services rendered. These shares were valued at the fair value on the date of grant for total compensation of $60,000 or $0.12.

In April 2007, the Company issued 89,438 shares of common stock for interest which was accrued at December 31, 2006 for $6,260 or $0.07 per share, relating to our Diversified Lending Group, Inc. note.

In May 2007, the Company issued 1,100,000 shares of common stock for consulting services rendered. These shares were valued at the fair value on the date of grant for total compensation of $115,500 or $0.105.

In July 2007, the Company issued 2,000,000 shares of common stock as a result of shares purchased through a private placement offering for $200,000 or $0.10.

In July 2007, the Company issued 39,800 shares of common stock for the accrued $7,164 or $0.18 per share in interest accrued at June 30, 2007 for charges relating to the Diversified Lending Group, Inc. note.

In August 2007, the Company issued 1,300,000 shares of common stock for consulting services rendered. These shares were valued at the fair value on the date of grant for total compensation of $188,500 or $0.145.

In August 2007, the Company issued 1,200,000 shares of common stock as a result of shares purchased through a private placement offering for $120,000 or $0.01.

In August 2007, the Company issued 149,369 shares of common stock for interest which was for the accrued interest at September 30, 2007 for $21,587 or $0.14 per share relating to our Diversified Lending Group, Inc. note.

In October 2007, the Company issued 100,000 shares of common stock as a result of shares purchased through a private placement offering for $10,000 or $0.01.

In November 2007, the Company issued 500,000 shares of common stock for professional services rendered. These shares were valued at the fair value on the date of grant for total compensation of $50,000 or $0.10.

In December 2007, the Company issued 1,450,000 shares of common stock as a result of shares purchased through a private placement offering for $60,000 or $0.04.

In December 2007, the Company issued 200,000 shares of common stock for professional services rendered. These shares were valued at the fair value on the date of grant for total compensation of $20,000 or $0.10.

In December 2007, the Company issued 105,775 shares of common stock for interest which was for the accrued interest at September 30, 2007 for $14,809 or $0.14 per share relating to our Diversified Lending Group, Inc. note.

In March 2008, the Company issued 1,000,000 shares of common stock as a result of shares purchased through a private placement offering for $50,000 cash or $0.05.

In April 2008, the Company issued 625,000 shares of common stock as a result of shares purchased through a private placement offering for $25,000 cash or $0.04.

In April 2008, the Company issued 2,375,000 shares of common stock for professional services rendered. These shares were valued at the fair value on the date of grant for total compensation of $98,000 or $0.04.

In May 2008, the Company issued 1,000,000 shares of common stock as a result of shares purchased through a private placement offering for $30,000 cash or $0.03.

In June 2008, the Company issued 1,000,000 shares of common stock as a result of shares purchased through a private placement offering for $30,000 cash or $0.03.

In June 2008, the Company issued 5,200,000 shares of common stock for professional services rendered and interest expense incurred. These shares were valued at the fair value on the date of grant for total compensation of $260,000 or $0.05.

In October 2008, the Company issued 250,000 shares of common stock for services rendered. These shares were valued at fair value on the date of grant for total compensation of $10,000 or $0.04.

In February 2009, the Company issued 250,000 shares of common stock for professional services rendered for total compensation of $5,000 or $0.02 per share.

In March 2009, the Company issued 1,500,000 shares of common stock for professional services rendered for total compensation of $45,000 or $0.03 per share.

In March 2009, the Company issued 2,000,000 shares of common stock payable or $0.02 per share for which, $40,000 cash was received in 2008.

In April 2009, the Company issued 375,000 shares of common stock for professional services rendered for total compensation of $7,500 or $0.02 per share.

In May 2009, the Company issued 3,000,000 shares of common stock for professional services rendered for total compensation of $75,000 or $0.03 per share. As of December 31, 2009, the vendor has chosen to accept cash at a later date when financing has been secured; the shares are listed as part of our common stock receivable and have been returned to treasury on March 2, 2010.

In August 2009, the Company issued 7,250,000 shares of common stock for professional services rendered for total compensation of $111,250 or $0.02 per share.

In August 2009, the Company issued 3,000,000 shares of common stock for $60,000 cash or $0.02 per share.

Common stock payable, net consists of:

- o $75,000 payable relating to 2008 Western Acquisition Recession.
- o $20,000 payable relating to 2008 investor who has not completed investment paperwork so that management can release the shares.
- o $75,000 receivable from a vendor who has chosen to accept cash at a later date for services, returned to treasury in 2010.
- o $30,000 payable purchased in 2009, issued in 2010.

Stock Option Plan

The Company's stockholders approved the 2002 Stock Option Plan on April 2, 2002 at the Company's annual meeting. The plan authorizes the Company to issue 5,000,000 shares of common stock for issuance upon exercise of options.

The plan is intended to encourage directors, officers, employees and consultants of the Company to acquire ownership of common stock. Officers (including officers who are members of the Board of Directors), directors (other than members of the Stock Option Committee (the "Committee") to be established to administer the Stock Option Plan) and other employees and consultants of the Company and its subsidiaries (if established) will be eligible to receive

options under the planned Stock Option Plan. The Committee will administer the Stock Option Plan and will determine those persons to whom options will be granted, the number of options to be granted, the provisions applicable to each grant and the time periods during which the options may be exercised. No options may be granted more than ten years after the date of the adoption of the Stock Option Plan.

Unless the Committee, in its discretion, determines otherwise, non-qualified stock options will be granted with an option price equal to the fair market value of the shares of common stock to which the non-qualified stock option relates on the date of grant. In no event may the option price with respect to an incentive stock option granted under the Stock Option Plan be less than the fair market value of such common stock to which the incentive stock option relates on the date the incentive stock option is granted. Each option granted under the Stock Option Plan will be exercisable for a term of not more than ten years after the date of grant. Certain other restrictions will apply in connection with this Plan when some awards may be exercised.

In the event of a change of control (as defined in the Stock Option Plan), the date on which all options outstanding under the Stock Option Plan may first be exercised will be accelerated. Generally, all options terminate 90 days after a change of control. As of December 31, 2009, no options have been issued under this plan.

NOTE 12. INCOME TAXES

We did not provide any current or deferred U.S. federal income tax provision or benefit for the period presented because we have experienced operating losses since inception. Per authoritative guidance pursuant to accounting for income tax and uncertainty in income taxes, when it is more likely than not that a tax asset cannot be realized through future income, the Company must allow for this future tax benefit. We provided a full valuation allowance on the net deferred tax asset, consisting of net operating loss carry forwards, because management has determined that it is more likely than not that we will not earn income sufficient to realize the deferred tax assets during the carry forward period.

The components of the Company's deferred tax asset as of December 31, 2009 and 2008 are as follows:

	2009	2008
Net operating loss carry forward	$ 6,356,500	$ 5,844,400
Valuation allowance	(6,356,500)	(5,844,400)
Net deferred tax asset	$ --	$ --

A reconciliation of income taxes computed at the statutory rate to the income tax amount recorded is as follows:

	2009	2008	Since Inception
Tax at statutory rate (35%)	$ 512,100	$ 415,900	$ 6,356,500
Increase in valuation allowance	(512,100)	(415,900)	(6,356,500)
Net deferred tax asset	$ --	$ --	$ --

The Company had no gross unrecognized tax benefits that, if recognized, would favorably affect the effective income tax rate in future periods. The Company has not accrued any additional interest or penalties. No tax benefit has been reported in connection with the net operating loss carry forwards in the consolidated financial statements as the Company believes it is more likely than not that the net operating loss carry forwards will expire unused. Accordingly, the potential tax benefits of the net operating loss carry forwards are offset by a valuation allowance of the same amount. Net operating loss carry forwards start to expire in 2019.

The Company files income tax returns in the United States federal jurisdiction. With a few exceptions, the Company is no longer subject to U.S. federal, state or non-U.S. income tax examination by tax authorities on tax returns filed before January 31, 2006. The Company will file its U.S. federal return for the year ended December 31, 2009 upon the issuance of this filing. These U.S. federal returns are considered open tax years as of the date of these consolidated financial statements. No tax returns are currently under examination by any tax authorities.

NOTE 13. FAIR VALUE

In accordance with authoritative guidance, the table below sets forth the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Fair Value at September 30, 2009			
	Total	Level 1	Level 2	Level 3
Assets:				
Deferred construction costs	$21,093	$21,093	$ --	$ --
	$21,093	$21,093	$ --	$ --
Liabilities:				
None	$ --	$ --	$ --	$ --

NOTE 14. SUBSEQUENT EVENTS

On February 21, 2010, the Company issued 1,500,000 shares of common stock that were purchased for $30,000 on December 17, 2009.

On March 2, 2010, 3,000,000 shares were returned to treasury by a vendor of the Company.

Management evaluated all activity of the Company through March 29, 2010 (the issue date of the Financial Statements).

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

We maintain "disclosure controls and procedures," as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedure, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

As of December 31, 2009, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in our periodic reports is recorded, processed, summarized and reported, within the time periods specified for each report and that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

MANAGEMENT'S ASSESSMENT

The management of Voyager Entertainment International, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2009. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework.

Based on its assessment, management concluded that, as of December 31, 2009, the Company's internal control over financial reporting is effective based on those criteria.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

During the quarter ended December 31, 2009, there were no changes to our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13(a)-15 or Rule 15(d)-15(f) that has materially affected, or is reasonably likely to materially affect our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

On March 23, 2010, the Company determined that a financing agreement dated July 11, 2007 expired July 11, 2009. Deferred financing costs of $50,000 were paid towards this agreement in 2007. No services have been performed in relation to the financing agreement since its inception. These deferred financing costs should have been fully accreted as of September 30, 2009. On March 29, 2010, the Company filed an amended Form 10-Q for the quarter ended September 30, 2009 to adjust accreted financing costs in the proper period.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The following table sets forth the names and positions of our executive officers and directors. Directors will be elected at our annual meeting of stockholders and serve for one year or until their successors are duly elected and qualified. Officers are elected by the Board and their terms of office are, except to the extent governed by employment contract, at the discretion of the Board.

Name	Age	Positions and Offices Held
Richard Hannigan	61	President, CEO and Director
Tracy Jones	58	Chief Operating Officer and Director
Myong Hannigan	63	Secretary, Treasurer and Director

SIGNIFICANT EMPLOYEES

None.

FAMILY RELATIONSHIPS

Myong Hannigan is the wife of Richard Hannigan, President, Chief Executive Officer and Director of the Company.

BUSINESS EXPERIENCE AND DIRECTORSHIPS

President, CEO

Richard L. Hannigan, Sr., has been the Company's President and a director since February 8, 2002 and Chief Executive Officer since April 2003. Mr. Hannigan also serves as the President, Chief Executive Officer and a Director of Voyager Entertainment Holdings, Inc. ("VEHI"), and is a managing member of Voyager Viridian ("Viridian"), our wholly-owned subsidiaries. Mr. Hannigan has been President of a design and construction company, Synthetic Systems, Inc., since 1991. This Company specializes in custom designs for interior and exterior casino construction. Under Mr. Hannigan's control, Synthetic Systems, Inc. has been involved in several casino projects in Las Vegas, including the Luxor Hotel Casino, its interior themed areas and exterior main entry Sphinx. Prior to forming Synthetic Systems, Inc., Mr. Hannigan owned and operated two consulting and construction companies from 1983-1991. These companies, Architectural Services, Inc. and Architectural Systems, Inc., respectively, have been responsible for construction projects located in Las Vegas, Palm Springs, Los Angeles and Salt Lake City. Mr. Hannigan has also consulted for exterior glazing and exotic fenestrations on commercial as well as casino companies in Las Vegas.

Chief Operating Officer

Tracy Jones has been the Company's Chief Operating Officer and became a Board member, on May 26, 2003. Mr. Jones also serves as the Chief Operating Officer of VEHI. Mr. Jones formed Western Architectural Services, LLC ("Western") in 1982, as an architectural design and fabrication company. Over the past 20 years Mr. Jones has been instrumental in the development of "themed" environments for the Hotel/Casino, Restaurant, and Theme Park industry. At Western, Mr. Jones has revolutionized the use of digitized computer enhancement for the replication of historical features.

Mr. Jones created methods that reduced the time to produce large-scale projects such as the Statue of Liberty at the New York - New York Hotel and Casino in Las Vegas. Previously, this project would have taken almost 1-1/2 years to recreate. However, with methods developed at Western, this project was fabricated in just over 6 months.

Mr. Jones has a history of producing the most difficult projects on time, and on budget. With his position at the Company, Mr. Jones can take this same approach to developing the Observation Wheels. Mr. Jones brings his expertise of manufacturing to this world class project. Mr. Jones will focus on product development, quality control, safety, state and federal regulations, freight issues, and on-time production and overall construction review.

Secretary, Treasurer

Myong Hannigan has served as Secretary of the Company, and a Board member, since April 4, 2004. Ms. Hannigan also serves as the Secretary and Treasurer of VEHI and is a managing member of Viridian. Ms. Hannigan attended college at Seoul University in Seoul, South Korea for general studies and business management. Ms. Hannigan has been a managing partner of a design and construction company, Synthetic Systems, Inc., since 1991. This Company specializes in custom design for interior and exterior casino construction. Prior to Synthetic Systems, Inc., Ms. Hannigan was a managing partner for Architectural Services, Inc. and Architectural Systems, Inc., from 1983-1991.This company specialized in design and installation of custom glass and glazing systems. Prior to Architectural Services, Inc. and Architectural Systems, Ms. Hannigan owned and managed Antiqua

Stain Glass Company in Honolulu, Hawaii from 1979-1981, which was relocated from Bloomington, Illinois (1976-1979). This company specialized in design, manufacturing, installation and retail/wholesale products.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

During the past five years, no present director, executive officer or person nominated to become a director or an executive officer of the Company:

1. had a petition under the federal bankruptcy laws or any state insolvency law filed by or against, or a receiver, fiscal agent or similar officer appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

2. was convicted in a criminal proceeding or subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

3. was subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting his involvement in any of the following activities:

   (i) Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

   (ii) Engaging in any type of business practice; or

   (iii) Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of federal or state securities laws or federal commodities laws; or

4. was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of a federal or state authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph (3) (i), above, or to be associated with persons engaged in any such activity; or

5. was found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures

Trading Commission to have violated a federal or state securities or commodities law, and for which the judgment has not been reversed, suspended or vacated.

PROMOTERS AND CONTROL PERSONS

None.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires our executive officers and directors, and persons who beneficially own more than ten percent of our common stock, to file initial reports of ownership and reports of changes in ownership with the SEC. Executive officers, directors and greater than ten percent beneficial owners are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based upon a review of the copies of such forms furnished to us, and written representations from our executive officers and directors, our belief is that during and prior to the year ended 2008, all reports were not filed timely as required.

As of March 31, 2010, a Form 5 is pending for the change in ownership due to the return and the issuance of 3,000,000 shares of our common stock during the fiscal year ending December 31, 2008 for our Chief Operating Officer, Tracy Jones.

CODE OF ETHICS

The Company has adopted a code of ethics that applies to our principal executive officer, principal financial officer, directors, and potential employees.

CORPORATE GOVERNANCE

As of December 31, 2009, there have been no material changes to the procedures by which security holders may recommend nominees to the Company's Board of Directors.

Committees of the Board of Directors

Currently, the Company's Board of Directors does not have any standing audit, nominating or compensation committees, or committees performing similar functions. Richard Hannigan, President, oversees the compensation of our executive officers.

Audit Committee and Financial Expert

The Board of Directors does not have a separate Audit Committee; rather the Board as a whole performs all functions of an Audit Committee. The Board currently does not have an "audit committee financial expert" as defined by the Securities and Exchange Commission Regulation S-K, Item 407(d)(5). The Board believes that, given the developmental stage of the Company, the Company is not currently in a position to attract the services of a Board member who does qualify as a financial expert. However, the Board will continue its search for an individual who would qualify as a financial expert.

ITEM 11. EXECUTIVE COMPENSATION.

The following table sets forth the compensation for the fiscal period(s) for the past three years for our Executive Officers who served in those positions, and the remaining two executive officers of the Company who were serving as executive officers as of December 31, 2009.

SUMMARY COMPENSATION TABLE

					Long Term Compe		
		Annual Compensation			Awards		
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Restricted Stock Award(s) ($)	Securities Underlying Options/ SARs (#)	L Pa
Richard Hannigan President/CEO/Director	2009	--	--	222,000	--	--	
Tracy Jones COO/Director	2009	--	--	--	--	--	
Myong Hannigan Secretary	2009	--	--	222,000	--	--	
Richard Hannigan President/CEO/Director	2008	--	--	210,000	--	--	
Tracy Jones COO/Director	2008	--	--	--	--	--	
Myong Hannigan Secretary	2008	--	--	210,000	--	--	

					Long Term Compe		
		Annual Compensation			Awards		
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Restricted Stock Award(s) ($)	Securities Underlying Options/ SARs (#)	L Pa
Richard Hannigan President/CEO/Director	2007	--	190,000	210,000	--	--	
Tracy Jones COO/Director	2007	--	--	--	--	--	
Myong Hannigan Secretary	2007	--	190,000	210,000	--	--	

(1) 2006-2007 Bonus: The Company awarded a cash bonus of $380,000 payable to Synthetic Systems, Inc. for each respective year. Synthetic Systems, Inc. is jointly owned equally by Richard L. Hannigan Sr., our President/CEO, and

Myong Hannigan, our Secretary. No bonuses were issued for 2009 or 2008. As of December 31, 2009, the total bonus of $760,000 remains unpaid by the Company. The bonus will be issued to Synthetic Systems at the appropriate time when the Company deems it practicable. However, the Company has the option of retiring the accrued bonuses by issuing shares of our common stock.

(2) 2007-2009: Other Annual Compensation includes (i) $444,000 for the year ended December 31, 2009 and $420,000 for each of the years ended December 31, 2008 and 2007 in professional consulting fees paid by the Company to Synthetic Systems, Inc., an entity owned by Richard and Myong Hannigan. As of December 31, 2009, $1,018,000 of the cumulative salaries remains unpaid by the Company.

(3) Myong Hannigan is the wife of Richard Hannigan, Sr.

COMPENSATION PURSUANT TO PLANS

None.

PENSION BENEFITS

None.

OTHER COMPENSATION

None.

COMPENSATION OF DIRECTORS

None.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number o availabl under eq (excludi column (
	(a)	(b)	
Equity compensation plans approved by security holders	--	--	
Equity compensation plans not approved by security holders	--	--	
Total	--	--	

(1) On April 2, 2002, the Company's stockholders approved the 2002 Stock Option Plan, authorizing the issuance of up to 5,000,000 shares of common stock under the Plan.

There were no stock options issued to any employee or consultants for the year ending December 31, 2009 and there have not been any options issued since inception. The Board of Directors determines on an individual basis as to whether the Company should issue stock for services. There are no current plans to issue additional stock for services. However, as the Company conducts business there may be situations from time to time where the Company may elect to issue stock for services.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of March 19, 2010 with respect to the beneficial ownership of the Company's common stock, Series A Convertible Preferred Stock and Series B Convertible Preferred Stock by (i) each person who, to the knowledge of the Company, beneficially owned or had the right to acquire more than 5% of the outstanding common stock, Series A Convertible Preferred Stock and Series B Convertible Preferred Stock, (ii) each director and executive officer of the Company and (iii) all executive officers and directors of the Company as a group.

(1)	(2)	(3)
Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner
Common Stock	Cede & Co. (7) PO Box 20 Bowling Green Station New York, NY 10004	45,806,606
	Diversified Lending Group, Inc. (7) 15260 Ventura Blvd, Ste 1240 Sherman Oaks, CA 91403	12,348,660
	Gregg Giuffria (7) 8761 Rainbow Ridge Dr Las Vegas, NV 89117	10,000,000
	Richard Hannigan (5) President, CEO 4483 West Reno Avenue Las Vegas, NV 89118	24,412,500
	Myong Hannigan (5) Secretary 4483 West Reno Avenue Las Vegas, NV 89118	24,197,500
	Tracy Jones (6) COO/Director 4483 West Reno Avenue Las Vegas, NV 89118	9,217,500
	All Directors & Officers as a Group (7)	33,630,000

Series A Preferred stock	Richard Hannigan President, CEO	-
	Myong Hannigan Secretary	-
	Tracy Jones COO/Director	-
	All Directors & Officers as a Group (7)	-
Series B Preferred Stock	Richard Hannigan President, CEO	-
	Myong Hannigan Secretary	-
	Tracy Jones COO/Director	-
	All Directors & Officers as a Group (7)	-

(1) Pursuant to the rules of the Securities and Exchange Commission, shares shown as "beneficially" owned include those shares over which the individual has voting power, including power to vote, or direct the voting of, such security, and/or investment power, including the power to dispose or direct the disposition of such security, and includes all shares the individual has the right to acquire beneficial ownership of within 60 days, including, but not limited to, any right to acquire shares (a) through the exercise of any options, warrants, or other right, (b) through conversion of a security, (c) pursuant to the power to revoke a trust, discretionary account or similar arrangement, and (d) pursuant to the automatic

termination of a trust, discretionary account or similar arrangement. This information is not necessarily indicative of beneficial ownership for any other purpose. The directors and executive officers of the Company have sole voting and investment power over the shares of the Company's common stock, Series A Convertible Preferred Stock and Series B Convertible Preferred Stock held in their names, except as noted in the following footnotes.

(2) Calculations are based on 149,902,287 shares of common stock outstanding as of March 19, 2010.

(4) Includes all shares beneficially owned as reported on most recent Form 4.

(5) Richard Hannigan and Myong Hannigan are husband and wife, Richard Hannigan directly owns 12,135,000 shares of common stock and has voting power over an additional 215,000 shares. Myong Hannigan is the direct owner of 12,062,500 shares of common stock.

(6) Mr. Jones is the direct owner of 6,335,000 shares of common stock and 70,000 shares of common stock owned by the Tracy Jones Charitable Remainder Trust. In addition, Mr. Jones (i) is the sole owner of Western Architectural Services, LLC ("Western") and deemed to beneficially own the 2,812,500 shares of common stock owned by Western.

(7) Includes all shares beneficially owned as reported by the Company's

transfer agent Nevada Agency and Trust Company.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

TRANSACTIONS WITH RELATED PERSONS

Synthetic Systems

We have numerous related party transactions with Synthetic Systems, Inc. ("Synthetic"). Synthetic is a company owned jointly by Richard L. Hannigan, Sr., our President and CEO and Myong Hannigan, Secretary, Mr. Hannigan's spouse. We are obligated to pay to Synthetic $37,000 per month for management and consulting fees.

During 2007 and 2006, bonuses were awarded to Synthetic in the amount of $380,000. In November 2006, the Company issued shares of our common stock in order to retire the accrued salary and bonuses from prior years. At December 31, 2008, bonuses for 2007 and 2006 remained unpaid. No bonuses were awarded during 2009 or 2008.

We currently lease 2,100 square feet of office space on a month-to-month basis from Synthetic for approximately $2,850 per month and paid as of December 31, 2009 an aggregate of $34,122.

In addition, the Company leases office furniture and equipment from Synthetic at a monthly rental rate of $1,150. During 2009 and 2008, the Company paid an aggregate of $13,800 to Synthetic for the lease of this office furniture and equipment.

As of December 31, 2009, our accounts payable due to related parties was $1,778,000 as compared to $1,470,000 at December 31, 2008. For the year ending December 31, 2009, the Company had paid a total of $149,800 to Synthetic Systems for professional and consulting fees and the lease of furniture and equipment. The unpaid balance consists of unpaid bonuses in 2007 and 2006 of $760,000 and unpaid consulting and professional fees of $1,018,000. See Note 8 to our financial statements.

Western Architectural Services, LLC

During 2008, we borrowed $30,000 from Western Architectural ("Western"). The amount is unsecured, carries no interest, and is due upon demand

During 2009, we borrowed $236,000 from Western. The amount is unsecured, carries no interest and is due upon demand.

During the fourth quarter of 2009, we have clarified the loans received from both the Chief Operating Officer ("COO") of the Company and Western. The Company has reclassified $210,000 in related party loans to Western. This reclassification has no financial statement ramifications and has been made to better streamline the related party transactions of the Company. These loans are unsecured, carry no interest, and are due upon demand.

As of December 31, 2009, an aggregate amount of $576,000 remained payable to Western.

Officers and Directors

On occasion, our Officers and Directors will loan funds to the Company so that we can continue our operations.

During 2008, we borrowed $185,000 from our COO, Tracy Jones. The amounts are unsecured, carry no interest and are due upon demand.

As an incentive for the borrowed funds, the Company issued Mr. Jones 3,000,000 shares of common stock valued at $0.05 per share on June 13, 2008. The issuance of common stock resulted in a $150,000 increase in interest expense.

As of December 31, 2008 an aggregate amount of $210,000 remained payable to the COO.

The COO of the Company is also the Chief Executive Officer of Western. During the fourth quarter of 2009, we have assessed and clarified the loans received from both the COO and Western. The Company has determined that the $210,000 loan is payable to Western. This reclassification has no financial statement ramifications and has been made to better streamline the related party transactions of the Company.

During 2008, we borrowed and repaid $10,500 from our Secretary. In addition to the loans, we paid $83 in interest expense.

During 2009, we borrowed and repaid $2,000 from our Secretary. In addition to the loans, we paid $9 in interest expense.

As of December 31, 2009, there were no loans payable to Officers and Directors of the Company.

Acquisition

On April 10, 2006, Voyager entered into a Unit Purchase (Buy-Sell) Agreement ("Agreement") to acquire all the outstanding units of Western in exchange for a total of 5,000,000 shares of Voyager's common stock ("Shares"). On September 11, 2006, Voyager believed it had fully completed the necessary due diligence pursuant to the Agreement and consequently delivered the Shares consideration as required for the final closing. Upon further evaluation of Voyager's due diligence of Western pursuant to Section 2.02 of the Agreement, it was determined that the existing limited liability company ("LLC") operating agreement of Western would need to be modified in order for Voyager to continue the existing operations of Western.

On March 30 2007, Voyager and Western were not able to come to acceptable terms with regards to the needed changes to the LLC operating agreement and therefore canceled the Agreement since the transaction did not meet all the requirements of Section 2.02 of the Agreement and was deemed as if the acquisition transaction was never closed.

As a result, the acquisition was nullified effective March 30, 2007. As a result of the nullification of the acquisition transaction, 2,500,000 shares of common stock were to be returned to the Company for cancellation and returned to the treasury. The remaining 2,500,000 shares were accounted for as a fee for the nullification in our statement of operations as of December 31, 2007. The shares were valued at fair value of $0.15 per share for a total value of $375,000. As March 31, 2008, 3,000,000 shares were returned to the Company under the March 30, 2007 agreement. We have accounted for the 500,000 excess shares as a common stock payable due to Western at December 31, 2009.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Audit Fees

The aggregate fees billed for the fiscal years ending December 31, 2009 and 2008 were $23,500 and $42,500 respectively, for professional services rendered by our principal accountant for the audit of our annual financial statements and review of financial statements included in our Form 10-Q or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years.

Audit-Related Fees

For the fiscal years ending December 31, 2009 and 2008, we did not incur any additional audit-related fees, as defined by the Securities and Exchange Commission, for assurance and related services by our principal accountant that were not included in our usual audit fees.

Tax Fees

For the fiscal years ending December 31, 2009 and 2008, we did not incur any tax fees for professional services rendered by our principal accountant for tax compliance, tax advice, or tax planning.

All Other Fees

No other fees, as defined by the Securities and Exchange Commission, were paid for the fiscal years ended December 31, 2009 and 2008 for products or services provided by our principal accountant that were not included in our usual audit fees.

The Company currently does not have an audit committee.

For the fiscal years ending December 31, 2009 and 2008, no hours were expended on our principal accountant's engagement to audit our financial statements that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

Number	Description

2.1 Plan and Agreement of Merger of Voyager Entertainment International, Inc. (North Dakota) into Voyager Entertainment International, Inc. (Nevada) (incorporated by reference to Exhibit 3.3 to the Company's Quarterly Report on Form 10-QSB for the period ended September 30, 2003 filed on November 14, 2003).

2.2 Nevada Articles of Merger (incorporated by reference to Exhibit 3.4 to the Company's Quarterly Report on Form 10-QSB for the period ended September 30, 2003 filed on November 14, 2003).

2.3 North Dakota Certificate of Merger (incorporated by reference to Exhibit 3.5 to the Company's Quarterly Report on Form 10-QSB for the period ended September 30, 2003 filed on November 14, 2003).

2.4 Completion of Acquisition of Western Architectural Services, LLC by the Company (incorporated by reference to exhibit 2.1 to the Company's Current Report on Form 8-K filed on September 12, 2006).

2.5 Completion of Disposition of Western Architectural Services, LLC by the Company (incorporated by reference to exhibit 2.1 to the Company's Current Report on Form 8-K filed on March 30, 2007).

3.1 Nevada Articles of Incorporation (incorporated by reference to Exhibit .1 to the Company's Quarterly Report on Form 10-QSB for the period ended September 30, 2003 filed on November 14, 2003).

3.2 Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-QSB for the period ended September 30, 2003 filed on November 14, 2003).

4.1 Certificate of Designation of Series A Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-QSB for the period ended September 30, 2003 filed on November 14, 2003).

4.2 Certificate of Designation of Series B Convertible Preferred Stock (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-QSB for the period ended September 30, 2003 filed on November 14, 2003).

4.3 2002 Stock Plan for Voyager Entertainment International, Inc. (incorporated by reference to Exhibit 99 to the Company's Current Report on Form 8-K filed on April 15, 2002).

10.1 Loan and Security Agreement (by and between the Company and Dan Fugal, dated November 15, 2002) (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 22, 2002).

10.2 Amendment No. 1 to Loan and Security Agreement (by and between the Company and Dan Fugal, dated February 15, 2003) (incorporated by reference to Exhibit 10(k) to the Company's Form 10-KSB filed on April 16, 2003).

10.3 Amendment No. 2 to Loan and Security Agreement (by and between the Company and Dan Fugal, dated April 23, 2003) (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-QSB for the period ended March 31, 2003 filed on May 20, 2003).

10.4 Contractor Agreement by and between the Company and Western Architectural Services, LLC, dated May 30, 2002 (incorporated by reference as exhibit 10.1 to for the Quarter ending September 30, 2004 and filed with the 10-QSB on November 23, 2004).

10.5 Definitive Joint Venture Agreement between Allied Investment House, Inc. and Voyager to build a Voyager Project in the United Arab Emirates dated March 15, 2005 (incorporated by reference as filed and attached as exhibit 99.1 to the 8-K filed on March 17, 2005).

10.6 Settlement and General Release Agreement (incorporated by reference as exhibit 10.6 as filed with the 10-QSB for the Quarter Ending September 30, 2004 and filed on November 23, 2004).

10.7 Secured Promissory Note between the Company and Diversified Lending Group, Inc. dated September 5, 2006 (incorporated by reference as exhibit 10.1 filed with the 8-K filed on September 12, 2006).

10.8 Extension of repayment of Secured Promissory Note between the Company and Diversified Lending Group, Inc. dated September 5, 2006 (incorporated by reference as exhibit 10.3 filed with the 8-K filed on November 6, 2007).

14 Code of Ethics applicable to the principal executive and financial officers (incorporated by reference to Exhibit14 to the Company's Annual Report on Form 10-K for the period ended December 31, 2008 filed on March 31, 2009).

31 Rule 13a-14 (a) / 15d-14 (a) Certifications

32 Section 1350 Certifications

(b) Reports on Form 8-K

- On November 5, 2007, the Company filed with the SEC a Current Report pursuant to Item 2.03 and 9.01of Form 8-K, "Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant."

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VOYAGER ENTERTAINMENT INTERNATIONAL, INC.

By: /s/ Richard Hannigan

Richard Hannigan,
President/Director
Dated: March 29, 2010

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Richard Hannigan, Sr.

Richard Hannigan, Sr.
President/CEO/Director
March 29, 2010

By: /s/ Myong Hannigan

Myong Hannigan
Secretary/Treasurer/Director
March 29, 2010

By: /s/Tracy Jones

Tracy Jones
COO/Director
March 29, 2010