

VOYAGER ENTERTAINMENT INTERNATIONAL INC
Form 10-Q/A
March 29, 2010

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

FORM 10-Q/A

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2009.

OR

TRANSITION REPORT UNDER 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

(State or other jurisdiction of
incorporation or organization)

54-2110681

(I.R.S. Employer
Identification No.)

4483 West Reno Avenue, Las Vegas, Nevada

(Address of principal executive offices)

89119

(Zip code)

Registrant's telephone number, including area code: (702) 221-8070

Indicate by check mark whether the registrant (1) has 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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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 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

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As of March 24, 2010, there were 149,902,287 outstanding shares of the issuer's Common Stock, \$0.001 par value.

EXPLANATORY NOTE

The purpose of this amended Form 10-Q for the quarter ended September 30, 2009 is to adjust accreted financing costs in the proper period.

The Company determined, during the preparation of the Form 10-K for the year ended December 31, 2009, 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.

The effect on the Company's previously issued September 30, 2009 financial statements are summarized as follows:

BALANCE SHEET	September 30, 2009 (Amended) ----- (Unaudited)	September 30, 2009 (As Filed) ----- (Unaudited)
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,560	\$ 2,560
Prepays	441	441
Deferred financing costs	--	50,000
Advances - related party	500,000	500,000
Total current assets	----- 503,001	----- 553,001
FIXED ASSETS, net of accumulated depreciation of \$45,966 and \$43,391, respectively	3,363	3,363
Total assets	\$ 506,364 =====	\$ 556,364 =====
Accumulated deficit during the development stage	(18,621,433)	(18,571,433)
Total stockholders' deficit	----- (5,946,542)	----- (5,896,542)
Total liabilities and stockholders' deficit	\$ 506,364 =====	\$ 556,364 =====

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STATEMENT OF OPERATIONS

	Three Months Ended		Nine Months Ended	
	September 30, 2009 (Amended)	September 30, 2009 (As Filed)	September 30, 2009 (Amended)	September 30, 2009 (As Filed)
Operating loss	(272,666)	(272,666)	(746,108)	(746,108)
Other income (expense):				
Interest income	--	--	--	--
Interest expense	(67,553)	(67,553)	(197,598)	(197,598)
Financing fees	(50,000)	--	(50,000)	(50,000)
	(117,553)	(67,553)	(247,598)	(247,598)
Net Loss	(390,219)	(340,219)	(993,706)	(993,706)
Preferred stock dividends	--	--	--	--
Net loss allocable to common stockholders	\$ (390,219)	\$ (340,219)	\$ (993,706)	\$ (993,706)
Net loss per common share - basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	144,913,157	144,913,157	141,093,679	141,093,679

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STATEMENT OF CASH FLOWS

	September 30, 2009 (Amended)
Cash Flows from Operating Activities:	
Net Loss	\$ (993,706)
Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation	2,574
Issuance of common stock for services	243,250
Accretion of debt issuance costs	50,000
Changes in assets and liabilities:	
Prepaid expenses	1,421
Accounts payable and accrued expenses	213,787
Accrued expenses - related party	234,000
Net cash used in operating activities	(248,674)

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In all other respects, this amended quarterly report on Form 10-Q/A is unchanged from the quarterly report on Form 10-Q previously filed by the Company on November 16, 2009.

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ITEM 1. FINANCIAL STATEMENTS.

VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
SEPTEMBER 30, 2009

VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2009 (Restated)	December 2008
	-----	-----
	(Unaudited)	(Audit)
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,560	\$ 1
Prepays	441	
Deferred financing costs	--	5
Advances - related party	500,000	50
Total current assets	----- 503,001	----- 56
FIXED ASSETS, net of accumulated depreciation of \$45,966 and \$43,391, respectively	3,363	
Total assets	----- \$ 506,364	----- \$ 57
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,500,167	\$ 1,28
Accrued expenses - related party	1,704,000	1,47
Note payable	1,855,000	1,85
Due to related parties	515,500	34
Loans and settlement payable	878,239	87
Total current liabilities	----- 6,452,906	----- 5,82
Total liabilities	6,452,906	5,82
COMMITMENTS & CONTINGENCIES	--	

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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	151,402	13
Additional paid-in capital	13,212,239	12,93
Deferred construction costs paid with common stock	(33,750)	(8
Loan collateral paid with common stock	(750,000)	(75
Common stock payable	95,000	13
Accumulated deficit during the development stage	(18,621,433)	(17,62
	-----	-----
Total stockholders' deficit	(5,946,542)	(5,25
	-----	-----
Total liabilities and stockholders' deficit	\$ 506,364	\$ 57
	=====	=====

See accompanying notes to these condensed consolidated financial statements.

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VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES (A DEVELOPMENT STAGE COMPANY) CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

	Three Months Ended		Nine Month
	September 30, 2009 (Restated)	September 30, 2008	September 30, 2009 (Restated)
	-----	-----	-----
Revenues	\$ --	\$ --	\$ --
Operating Expenses:			
Professional and consulting fees	237,978	33,633	501,732
Project costs	1,968	13,376	134,535
Depreciation	629	1,600	2,574
Settlement expense	--	--	--
Other expense	32,091	32,322	107,267
	-----	-----	-----
	272,666	80,931	746,108
Operating loss	(272,666)	(80,931)	(746,108)
Other income (expense):			
Interest income	--	1	--
Interest expense	(67,553)	(74,164)	(197,598)
Financing fees	(50,000)	--	(50,000)
	-----	-----	-----
	(117,553)	(74,163)	(247,598)
Net Loss	(390,219)	(155,094)	(993,706)

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Preferred stock dividends	--	--	--
Net loss allocable to common stockholders	\$ (390,219)	\$ (155,094)	\$ (993,706)
Net loss per common share - basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding	144,913,157	131,777,287	141,093,679

See accompanying notes to these condensed consolidated financial statements.

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VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

	September 30, 2009 (Restated)	September 30, 2008	From i March 1 September (Res)
Cash Flows from Operating Activities:			
Net Loss	\$ (993,706)	\$ (985,940)	\$ (18,62
Adjustments to reconcile net loss to net cash used by operating activities:			
Depreciation	2,574	5,715	4
Issuance of common stock for services	243,250	208,000	6,51
Issuance of common stock for nullification fee	--	--	37
Issuance of common stock for accrued bonus	--	--	75
Interest expense from the issuance of common stock	--	150,000	70
Accretion of debt issuance costs	50,000	--	50
Changes in assets and liabilities:			
Prepaid expenses	1,421	1,420	
Accounts payable and accrued expenses	213,787	116,801	1,49
Accrued expenses - related party	234,000	160,000	1,70
Accrued settlement obligation	--	--	65
Net cash used in operating activities	(248,674)	(344,004)	(5,88
Cash flows from Investing Activities:			
Payments to acquire fixed assets	--	(2,481)	(4
Proceeds from Note Receivable	--	--	(50
Net cash used in investing activities	--	(2,481)	(54
Cash flows from Financing Activities:			
Proceeds from notes payable, short term debt	--	--	2,10
Proceeds from notes payable, due to related parties	177,500	161,000	52

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Payment on notes payable, short term debt	--	--	(2)
Payment on notes payable, due to related parties	(2,000)	(6,000)	(1)
Proceeds from the sale of preferred stock	--	--	15
Proceeds from the sale of common stock	60,500	135,000	3,72
Proceeds from common stock payable	--	20,000	6
Payments for loan fees	--	--	(5)
Payments for deferred financing costs	--	--	(5)
Net cash provided by financing			
activities	236,000	310,000	6,43
Net (decrease) increase in cash	(12,674)	(36,485)	
Cash, beginning of year	15,234	42,076	
Cash, end of year	\$ 2,560	\$ 5,591	\$
Cash paid for:			
Interest	\$ 132	\$ 56	\$ 9
Income Taxes	\$ --	\$ --	\$

See accompanying notes to these condensed consolidated financial statements.

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VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(CONTINUED)
(UNAUDITED)

	September 30, 2009	September 30, 2008	From i March 1 Septembe
Supplemental schedule of non-cash Investing and Financing Activities:			
Common stock issued for financing costs	\$ --	\$ --	\$ 98
Common stock issued for loan collateral	\$ --	\$ --	\$ 75
Deferred construction costs, adjusted to fair value	\$ 50,625	\$ 70,313	\$ 3
Conversion of preferred shares	\$ 2,000	\$ --	\$ 1
Common stock issued as acquisition deposit	\$ --	\$ --	\$ 75
Common stock cancelled due to business combination cancellation	\$ --	\$ 375,000	\$ 37
Common stock payable	\$ (40,000)	\$ 75,000	\$ 9

See accompanying notes to these condensed consolidated financial statements.

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VOYAGER ENTERTAINMENT INTERNATIONAL, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1. Basis of Presentation and Organization and Significant Accounting Policies

Basis of Presentation and Organization

The accompanying Condensed Consolidated Financial Statements of Voyager Entertainment International, Inc. (the "Company") should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2008. Significant accounting policies disclosed therein have not changed except as noted below.

In June 2009, the Financial Accounting Standards Board ("FASB") issued the FASB Accounting Standards Codification(TM) and the Hierarchy of Generally Accepted Accounting Principles (the "Codification"). The Codification became the single official source of authoritative, nongovernmental U.S. generally accepted accounting principles ("GAAP"). The Codification did not change GAAP but reorganizes the literature. The Codification is effective for interim and annual periods ending after September 15, 2009, and the Company adopted the Codification during the three months ended September 30, 2009. The Company has begun to use the new Codification when referring to GAAP in its quarterly and annual reports filed on Forms 10-Q and 10-K respectively. This guidance does not have an impact on the consolidated results of the Company.

Voyager Entertainment International, Inc., a North Dakota corporation, formerly known as Dakota Imaging, Inc. and incorporated on January 31, 1991, is in the entertainment development business with plans to develop the world's tallest Observation Wheel on 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. 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. As of September 30, 2009, the Company's wholly-owned subsidiary includes Voyager Entertainment Holdings, Inc. ("Holdings"), a Nevada corporation. 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.

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

Basis of Financial Statement Presentation

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The accompanying unaudited condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in accordance with such rules and regulations. The information furnished in the interim condensed consolidated financial statements includes normal recurring adjustments and reflects all adjustments, which, in the opinion of management, are necessary for a fair presentation of such financial statements. Although management believes the disclosures and information presented are adequate to make the information not misleading, these interim condensed consolidated financial statements should be read in conjunction with the Company's most recent audited financial statements and notes thereto included in its December 31, 2008 Annual Report on Form 10-K. Operating results for the period ended September 30, 2009 are not necessarily indicative of the results that may be expected for the year ending December 31, 2009.

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 \$993,706 and \$985,940 for the nine months ended September 30, 2009 and 2008, and a working capital deficiency of \$5,949,905 at September 30, 2009. These factors raise substantial doubt about the Company's ability to continue as a going concern. 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.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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).

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RECENTLY ADOPTED AND RECENTLY ISSUED ACCOUNTING GUIDANCE

Adopted

On September 30, 2009, the Company adopted changes issued by the Financial Accounting Standards Board ("FASB") to the authoritative hierarchy of GAAP. These changes establish the FASB Accounting Standards Codification(TM) ("Codification") 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 will no longer issue new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Abstracts; instead the FASB will issue Accounting Standards Updates. Accounting Standards Updates will not be authoritative in their own right as they will 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.

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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.

Note 2. Stockholders' Deficit

The authorized common stock of the Company consists of 200,000,000 shares of common stock with par value of \$0.001 and 50,000,000 shares of 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 both with a par value of \$0.001.

In February 2009, the Company issued 25,000 shares of common stock for \$500 cash or \$0.02 per share.

In February 2009, the Company issued 225,000 shares of common stock for professional services rendered for total compensation of \$4,500 or \$0.02 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 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 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.

In August 2009, the Company issued 7,250,000 shares of common stock for profession 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

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cash or \$0.02 per share.

In September 2009, 1,000,000 shares of Series B Preferred Stock were converted to 2,000,000 shares of common stock with a valuation of \$0.01 per share.

Note 3. Related Party Transactions

Synthetic Systems

During the quarters ended September 30, 2009 and 2008, the Company incurred consulting fees of approximately \$37,000 and \$35,000 respectively per month to Synthetic Systems, LLC for a total of \$333,000 and \$315,000. The Company leased furniture and equipment from Synthetic Systems for a total of \$1,150 per month for the quarters ending September 30, 2009 and 2008. The Company also paid on behalf of Synthetic Systems, LLC office rent expenses of \$25,499 and \$25,912, as of September 30, 2009 and 2008, respectively. Synthetic Systems is jointly owned by our Chief Executive Officer and Secretary.

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Western Architectural

As previously disclosed in our 2008 Form 10-K, on May 30, 2002, the Company executed a Contractor Agreement with Western Architectural Services, LLC ("Western") where Western would provide to the Company certain architectural services for the Las Vegas Observation Wheel 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 an executive officer, 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 2,812,500 shares of common stock at the time before and during the contract to purchase supplies and to pay subcontractor fees for the construction of a wheel. At the time the contract was issued the shares of the Company were trading at \$6.50 per share, our current stock price is trading significantly below that amount. 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 additional shares to Western in order for the contract to be fulfilled. Western's Chief Executive Officer 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 September 30, 2009, we have marked these shares to market using the period end closing price of our stock. The change in valuation was debited to additional-paid in capital due to the deferred construction cost nature of these shares.

As of September 30, 2009, we have received advances in the amounts of \$305,500 from Western Architectural Services, LLC. The advances are unsecured, carry no interest and are due upon demand. As of September 30, 2009, no payments have been made to Western.

Directors and Officers

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

On September 10, 2009, our Secretary loaned the Company \$2,000 with an interest rate of 12% per annum. On September 23, 2009, the loan was paid in full with \$9 interest.

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As of September 30, 2009, we have received advances in the amounts of \$210,000 from our Chief Operating Officer. The advances are unsecured, carry no interest and are due upon demand.

Interest on related party loans is not imputed due to the lack of terms related to the debt.

Note 4. 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	\$33,750	\$33,750	\$ --	\$ --
	-----	-----	-----	-----
	\$33,750	\$33,750	\$ --	\$ --
	=====	=====	=====	=====
Liabilities:				
None	\$ --	\$ --	\$ --	\$ --

Note 5. 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 September 30, 2009.

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Note 6. Restatement

The Company determined, during the preparation of the Form 10-K for the year ended December 31, 2009, 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.

The effect on the Company's previously issued September 30, 2009 financial statements are summarized as follows:

BALANCE SHEET

	September 30, 2009 (Amended)	September 30, 2009 (As Filed)
	-----	-----
	(Unaudited)	(Unaudited)
ASSETS		

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CURRENT ASSETS

Cash	\$ 2,560	\$ 2,560
Prepays	441	441
Deferred financing costs	--	50,000
Advances - related party	500,000	500,000
	-----	-----
Total current assets	503,001	553,001

FIXED ASSETS, net of accumulated depreciation of \$45,966 and \$43,391, respectively

	3,363	3,363
--	-------	-------

Total assets	\$ 506,364	\$ 556,364
	=====	=====

Accumulated deficit during the development stage	(18,621,433)	(18,571,433)
	-----	-----

Total stockholders' deficit	(5,946,542)	(5,896,542)
	-----	-----

Total liabilities and stockholders' deficit	\$ 506,364	\$ 556,364
	=====	=====

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STATEMENT OF OPERATIONS

	Three Months Ended		Nine Mo
	September 30,	September 30,	September 30,
	2009	2009	2009
	(Amended)	(As Filed)	(Amended)
	-----	-----	-----
Operating loss	(272,666)	(272,666)	(746,108)
Other income (expense):			
Interest income	--	--	--
Interest expense	(67,553)	(67,553)	(197,598)
Financing fees	(50,000)	--	(50,000)
	-----	-----	-----
	(117,553)	(67,553)	(247,598)
Net Loss	(390,219)	(340,219)	(993,706)
Preferred stock dividends	--	--	--
	-----	-----	-----
Net loss allocable to common stockholders	\$ (390,219)	\$ (340,219)	\$ (993,706)
	=====	=====	=====

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Net loss per common share - basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	144,913,157	144,913,157	141,093,679

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STATEMENT OF CASH FLOWS

	September 30, 2009 (Amended)	September 2009 (As Filed)
Cash Flows from Operating Activities:		
Net Loss	\$ (993,706)	\$ (943,706)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	2,574	2,574
Issuance of common stock for services	243,250	243,250
Accretion of debt issuance costs	50,000	--
Changes in assets and liabilities:		
Prepaid expenses	1,421	1,421
Accounts payable and accrued expenses	213,787	213,787
Accrued expenses - related party	234,000	234,000
Accrued settlement obligation	--	--
Net cash used in operating activities	(248,674)	(248,674)

In all other respects, this amended quarterly report on Form 10-Q/A is unchanged from the quarterly report on Form 10-Q previously filed by the Company on November 16, 2009.

Note 7. Subsequent Events

Management evaluated all activity of the Company through November 16, 2009 (the issue date of the Financial Statements) and concluded that no subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.

ITEM 4T. CONTROLS AND PROCEDURES.

(a) Disclosure Controls and Procedures

Based on the management's evaluation (with the participation of our President and Principal Financial Officer), our President and Principal Financial Officer has concluded that as of September 30, 2009, our disclosure controls and procedures (as defined in Rules 13a - 15(e) and 15d-15(e) under the Securities Exchange of 1934 (the "Exchange Act") are effective to provide reasonable assurance that the information required to be disclosed in this quarterly report on Form 10-Q is recorded, processed, summarized and reported within the time period specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Principal Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

(b) Internal control over financial reporting

Management's quarterly report on internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a- 15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. Our internal control over financial reporting should include those policies and procedures that:

- o pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- o provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable GAAP, and that receipts and expenditures are being made only in accordance with authorizations of management and the Board of Directors; and
- o provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Under the supervision and with the participation of our management, our Chief Executive Officer and Principal Financial Officer, we have evaluated the effectiveness of our internal control over financial reporting and preparation of our quarterly financial statements as of September 30, 2009 and believe they are ineffective due to our oversight of the expiration of the financing agreement described in our amended financial statements. We have assessed this inefficiency as an isolated incident and corrective action has been taken.

Attestation report of the registered public accounting firm

This quarterly report does not include an attestation report of the Company's registered public 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 that permit the Company to provide only management's report in this quarterly report.

Changes in internal control over financial reporting

Based on the evaluation as of September 30, 2009, our Chief Executive Officer and Principal Financial Officer has concluded that there were no significant changes in our internal controls over financial reporting or in any other areas that could significantly affect our internal controls subsequent to the date of this most recent evaluation and there were no corrective actions during the quarter with regard to significant deficiencies or material weaknesses.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VOYAGER ENTERTAINMENT INTERNATIONAL, INC.

(Registrant)

Dated March 24, 2010

By: /s/ Richard Hannigan

Richard Hannigan,
President/Director

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 24, 2010

By: /s/ Myong Hannigan

Myong Hannigan
Secretary/Treasurer/Director
March 24, 2010

By: /s/ Tracy Jones

Tracy Jones
COO/Director
March 24, 2010

