§ 121.10 Indebtedness of school districts merged with or annexed to a school district outside of a city. a. In ascertaining the power of a school district, other than a school district in a city, to issue bonds or bond anticipation notes, there shall be included the amount of bonded indebtedness of a merged or annexed school district as follows:

1. The amount of outstanding bonds and bond anticipation notes of school districts which merged to form such school district, whether or not any of such merged school districts, prior to such merger, had an aggregate assessed valuation of one hundred thousand dollars or more, and whether or not any of such merged school districts still exist for the purpose of paying off its indebtedness or distributing its property.

2. The amount of outstanding bonds and bond anticipation notes of any school district which was annexed to such school district, whether or not such annexed school district, prior to such annexation, had an aggregate assessed valuation of one hundred thousand dollars or more, and whether or not such annexed school district still exists for the purpose of paying off its indebtedness or distributing its property.

3. The appropriate proportion of the amount of outstanding bonds and bond anticipation notes of any school district part of which was annexed to such school district, whether or not the aggregate assessed valuation of such partially annexed school district, prior to such annexation, was one hundred thousand dollars or more. Such appropriate proportion of the amount of such outstanding bonds and bond anticipation notes shall be ascertained by multiplying the total amount of such outstanding bonds and bond anticipation notes by the ratio or percentage, as of the time of the annexation, that the average assessed valuation of the portion of the school district annexed bore to the average assessed valuation of the whole of such partially annexed district as it existed prior to such annexation.