

Mechanisms of hyperexcitability in Alzheimer's disease hiPSC-derived neurons and cerebral organoids vs. isogenic controls

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Abstract

Human Alzheimer's disease (AD) brains and transgenic AD mouse models manifest hyperexcitability. This aberrant electrical activity is caused by synaptic dysfunction that represents the major pathophysiological correlate of cognitive decline. However, the underlying mechanism for this excessive excitability remains incompletely understood. To investigate the basis for the hyperactivity, we performed electrophysiological and immunofluorescence studies on hiPSC-derived cerebrocortical neuronal cultures and cerebral organoids bearing AD-related mutations in presenilin 1 or amyloid precursor protein vs. isogenic gene corrected controls. In the AD hiPSC-derived neurons/organoids, we found increased excitatory bursting activity, which could be explained in part by a decrease in neurite length. AD hiPSC-derived neurons also displayed increased sodium current density and increased excitatory and decreased inhibitory synaptic activity. Our findings establish hiPSC-derived AD neuronal cultures and organoids as a relevant model of early AD pathophysiology and provide mechanistic insight into the observed hyperexcitability.

Impact Statement

Increased excitation and decreased inhibition associated with abnormal neuronal morphology, aberrant ion channel properties, and synaptic dysfunction contribute to hyperexcitability in Alzheimer's disease hiPSC-derived neuronal cultures and cerebral organoids.

47 **Introduction**

48 Emerging evidence suggests that patients with Alzheimer's disease (AD) manifest an increased
49 incidence of neuronal hyperactivity, leading to non-convulsive epileptic discharges (Lam et al.,
50 2017; Vossel et al., 2013). These patients also display a faster rate of cognitive decline consistent
51 with the notion that the aberrant activity is associated with disease progression. Moreover, both
52 sporadic (S) and familial (F) AD patients show neuronal hyperactivity, with onset during the initial
53 stages of the disease (Palop and Mucke, 2009, 2016). Mutations in amyloid precursor protein
54 (APP) or presenilin (PSEN or PS) genes 1/2, which increase amyloid- β (A β) peptide, cause
55 dominantly inherited forms of the disease (Woodruff et al., 2013). These patients show increased
56 activation in the right anterior hippocampus by functional MRI early in the disease (Quiroz et al.,
57 2010). Moreover, both humans with AD and AD transgenic models, including hAPP-J20 and
58 APP/PS1 mice, manifest non-convulsive seizure activity/spike-wave discharges on
59 electroencephalograms (Nygaard et al., 2015; Verret et al., 2012; Vossel et al., 2013).

60 While AD transgenic animal models have been used extensively to study the mechanisms
61 of the disease (Palop and Mucke, 2016; Siskova et al., 2014) the electrophysiological basis of the
62 observed hyperexcitability still remains incompletely understood. The recent advent of human
63 induced pluripotent stem cell (hiPSC)-derived neurons affords the unique opportunity for
64 monitoring pathological electrical activity and underlying mechanisms in a 'human context,' and on
65 a patient-specific genetic background. For example, recent studies have shown increased calcium
66 transients in a cerebral organotypic hiPSC-derived culture system bearing FAD mutations (Park et
67 al., 2018). However, there remains a lack of electrophysiological characterization of disease
68 phenotypes in neurons derived from hiPSCs carrying FAD mutations. It should be acknowledged
69 that abnormal circuits related to aberrant electrical activity in AD brains might not be completely

replicated in reductionist hiPSC-based preparations even though our 2D cultures contain both excitatory cerebrocortical neurons and inhibitory interneurons, and our 3D cerebral organoids show clear cortical layer formation. Importantly, however, abnormal neuronal morphology, disrupted ion channel properties, and synaptic dysfunction underlying aberrant electrical activity are all retained in these hiPSC-derived preparations compared to more intact systems, and are therefore studied in some detail here. In fact, evidence from both human AD brain and transgenic AD mouse models suggests that changes in channel properties and neurite length similar to that observed here may indeed be involved in the altered electrical excitability (Kim et al., 2007; Palop and Mucke, 2016; Siskova et al., 2014).

In the present study, we examine the electrophysiological properties of cerebrocortical cultures derived from three separate AD-like hiPSC lines bearing PS1 or hAPP mutations (vs. their gene-corrected isogenic wild-type (WT) controls): (i) PS1 $\Delta E9$, a point mutation in the splice acceptor consensus sequence of intron 8 that impairs γ -secretase-dependent functions of PS1; (ii) PS1^{M146V}, a mutation in transmembrane domain 2 of PS1 that occurs frequently in FAD patients; (iii) APP^{Swe}, double missense mutation in the APP gene leading to increased A β production (Paquet et al., 2016; Woodruff et al., 2013). We find abnormal electrical activity in both AD hiPSC-derived 2D cultures and 3D cerebral organoids compared to their respective isogenic controls. Moreover, our work provides mechanistic insight into atypical neuronal morphology, altered ion channel physiology, and disrupted synaptic function underlying the aberrant electrical activity observed in these AD hiPSC-derived cortical neurons.

Results

AD hiPSC-derived neurons show enhanced excitability compared to isogenic WT neurons

Initially, we studied 2D cultures of AD hiPSC-derived cerebrocortical neurons ('AD neurons') with one allele bearing the PS1 $\Delta E9$ mutation ($\Delta E9/WT$), PS1^{M146V} mutation (M146V/WT), or APP^{Swe} mutation (APP^{Swe}/WT) vs. isogenic WT/WT controls (**Figure1-figure supplement 1A**). Starting at 5 weeks in culture, AD neurons displayed the forebrain marker, FOXG1, and cortical neuronal marker, CTIP2 (**Figure1-figure supplement 1B,C**) (Woodruff et al., 2013). The PS1 mutants ($\Delta E9/WT$, M146V/WT) manifested an increase in the $A\beta_{42}:A\beta_{40}$ ratio, while the APP^{Swe} mutant showed an increase in the level of total $A\beta$ (**Figure1-figure supplement 1D,E**). Both PS1 and APP^{Swe} mutant AD neurons showed a 2-3-fold increase in the frequency of spontaneous action potentials compared to cerebrocortical neurons derived from their respective gene-corrected isogenic controls (WT/WT; **Figure 1A,B, Figure1-figure supplement 2A,B**). Additionally, we found a marked increase in evoked activity in AD neurons vs. their isogenic controls. AD neurons fired multiple action potentials in response to current steps in contrast to a single or at most a few spikes elicited in WT neurons (**Figure 1C and Figure1-figure supplement 2C**). Although we did not find differences between the resting membrane potential and action potential firing threshold between AD and control neurons (**Figure 1D,E, Figure1-figure supplement 2D,E**), action potential height was significantly greater and half-width was significantly smaller in AD hiPSC-derived neurons compared to their respective WT controls (**Figure 1F,G, Figure1-figure supplement 2F,G**). AD neurons with narrow spikes also fired at higher frequencies with faster decay times (**Figure 1H, Figure1-figure supplement 2H**).

AD hiPSC-derived neurons manifest shorter neuritic processes and altered sodium channel properties compared to isogenic WT neurons

To begin to explain the underlying mechanism for the increased spontaneous and evoked firing properties of AD neurons, we found that these neurons manifest smaller cell capacitance,

117 indicating a more compact overall electrical 'size' compared to WT (**Figure 1I, Figure1-figure**
118 **supplement 2I**). Consistent with this observation, we also found a decrease in total area covered
119 by neurites in the AD neurons, as measured histologically by anti- β -tubulin III (Tuj1) and anti-
120 microtubule associated protein 2 (MAP2) antibody labeling, while somal size was not affected
121 (**Figure 2A-C, Figure 2-figure supplement 1A,B, Figure 2-figure supplement 2A-C**). To further
122 investigate this altered neuronal morphology, we transfected the neurons with green fluorescent
123 protein (GFP). Only 10-20% of the cells expressed GFP, thus allowing us to trace the transfected
124 neurons. We found shorter neurites and decreased branching in AD neurons compared to
125 isogenic WT controls (**Figure 2D-F**).

126 To elucidate possible differences in current density that could underlie the increased
127 excitability of AD neurons, we next monitored their sodium and potassium currents (Carter and
128 Bean, 2011). We found significantly greater sodium current density in AD neurons compared to
129 WT neurons after 5 weeks in culture, while potassium current density remained unchanged
130 (**Figure 2G,H, Figure 2-figure supplement 2D,E**). Additionally, we found a significantly faster
131 decay constant for the sodium current in AD neurons compared to isogenic WT controls, while the
132 rise times did not differ (**Figure 2I, Figure 2-figure supplement 2F**). This finding supports the
133 notion that a more rapid recovery of sodium channels from inactivation in AD neurons would
134 increase channel availability after the spike, thus reducing the refractory period and facilitating
135 more rapid repetitive firing (Carter and Bean, 2011). Potentially underlying these effects, previous
136 studies found that $A\beta_{42}$ oligomers or APP result in an increase in surface expression of sodium
137 channel Nav1.6 in AD models, both in vitro and in vivo (Ciccone et al., 2019; Liu et al., 2015;
138 Wang et al., 2016). Additionally, β -secretase 1 (BACE1) and PS1/ γ -secretase-mediated
139 processing of Nav β 2 has been reported to enhance surface expression of this sodium channel, as
140 observed in AD animal models and in human patients (Hu et al., 2017; Kim et al., 2005; Wong et

141 al., 2005). Notably, β -subunits have previously been shown to increase current amplitudes and
142 accelerate current decay kinetics (Aman et al., 2009; Lopez-Santiago et al., 2006; Zimmer and
143 Benndorf, 2007).

144

145 **PS1 mutant AD neurons show developmental differences at early timepoints compared to** 146 **WT neurons**

147 To rule out the possibility that a lag in development in the WT hiPSC cultures compared to the AD
148 cultures might account for the above findings, we studied neuronal electrical properties over time.
149 Indeed, we found that at 2 weeks in culture, the PS1 mutant AD neurons (M146V/WT and
150 $\Delta E9$ /WT) manifested greater sodium and potassium current densities, increased electrical
151 capacitance, and increased synaptic density measured histologically compared to their gene-
152 corrected isogenic WT counterparts (**Figure 3A-E, Figure 3-figure supplement 1A-D, Figure 3-**
153 **figure supplement 2A,B**). These results possibly reflect a faster maturation pattern of PS1
154 mutant AD neurons than WT after 2 weeks in culture. By 4 weeks, however, AD neurons
155 displayed similar potassium current densities and synaptic density compared to their isogenic WT
156 controls; however, AD neurons now manifested a decrease in electrical capacitance (**Figure 3A-**
157 **E, Figure 3-figure supplement 1A-D, Figure 3-figure supplement 2A,B**). The decrease in
158 electrical capacitance is consistent with significant loss of neurites in the AD neurons, confirmed
159 by histological measurement during the ensuing week (**Figure 2D-F**). Moreover, the AD neurons
160 continued to demonstrate a dramatic increase in sodium current density and evoked action
161 potential frequency compared to WT as they matured in culture, consistent with the notion that
162 these events, reflecting increased electrical excitability, represent a true difference between the
163 PS1 mutant AD and WT neurons (**Figure 3A-E, Figure 3-figure supplement 1A-D**).

164 In further support of these conclusions, the other AD related mutation studied here, mutant
165 APP^{Swe}/WT AD neurons, did not exhibit larger sodium or potassium current densities, increased
166 synaptic density or electrical capacitance at 2 weeks in culture compared to isogenic WT/WT
167 neurons (**Figure 3A-E**). The APP^{Swe}/WT neurons also did not show a difference in synaptic
168 density compared to WT neurons at the 4 and 6 week timepoints (**Figure 3-figure supplement**
169 **2A,B**). However, similar to the PS1 mutant neurons, at these later timepoints of 4 and 6 weeks,
170 the APP^{Swe}/WT neurons showed a decrease in cell capacitance while manifesting a dramatic
171 increase in sodium current density and evoked action potential frequency compared to isogenic
172 WT controls (**Figure 3A-E**), again reflecting their increased electrical excitability. Notably, similar
173 to our observations, previous studies in vivo on APP/PS1 transgenic mice have shown at early
174 stages of AD that neurite loss occurs without change in spine density in surviving dendritic
175 branches compared to WT mice (Siskova et al., 2014). Thus, neurite loss and increased
176 excitability occur early in the disease process, prior to the significant neuronal and synaptic loss
177 that occurs subsequently in human AD brains (DeKosky and Scheff, 1990; Terry et al., 1991), and
178 appear to be faithfully reproduced in our AD hiPSC models.

179

180 **Increased excitatory synaptic transmission in AD neurons also contributes to** 181 **hyperexcitability**

182 Concerning synaptic function, although AD neurons compared to isogenic WT controls showed
183 similar synaptic density by 5 weeks in culture, we observed an increase in frequency and
184 amplitude of spontaneous excitatory postsynaptic currents (sEPSCs) in the AD neurons (**Figure**
185 **4A-C, Figure 4-figure supplement 1A-E**). Based on prior in vivo work on AD transgenic mice
186 with similar findings (Siskova et al., 2014), this increase in sEPSCs could result from improved
187 synaptic efficacy associated with shorter neurites. Additionally, we found an increase in the

188 frequency of miniature EPSCs (mEPSCs) in AD neurons compared to gene-corrected isogenic
189 WT (**Figure 4D,F, Figure 4-figure supplement 1F,H**). There was also a statistically significant
190 increase in the amplitude of mEPSCs in $\Delta E9$ /WT neurons vs. isogenic WT/WT neurons (**Figure 4-**
191 **figure supplement 1F,G**), but only a trend in M146V/WT and APP^{SWE}/WT neurons that did not
192 reach significance (**Figure 4D,E**). An increase in mEPSC frequency may reflect an increase in
193 synapse number or a presynaptic mechanism, such as an increase in release probability. Along
194 these lines, we found an increase in the level of vesicular glutamate transporter (VGLUT1) in AD
195 cultures compared to WT by immunocytochemistry and western blotting (**Figure 4G-J, Figure 4-**
196 **figure supplement 1I-L**). Since we had found no significant differences between AD and WT
197 neurons with regard to synaptic density at this stage of the disease process, it is therefore likely
198 that presynaptic release was affected in AD. Consistent with this explanation, prior work in rodent
199 hippocampal neurons had shown that A β peptide enhances release probability (Abramov et al.,
200 2009). To test this possibility more directly, we applied hypertonic sucrose solution to measure the
201 readily releasable pool (RRP) size and found a decrease in RRP, which can be attributed to
202 increased basal release of vesicles from AD neurons (**Figure 4-figure supplement 2A,B**).

203 204 **AD neurons manifest impaired inhibition compared to WT neurons**

205 With regard to inhibitory interneurons, among our AD and WT hiPSC-derived cortical neurons, we
206 found γ -aminobutyric acid (GABA)-positive staining in 8-15% and parvalbumin (PV)-positive
207 staining in 3-6% of the cells. Notably, there were significantly fewer inhibitory GABA- and PV-
208 positive neurons in AD cultures compared to WT cultures (**Figure 5-figure supplement 1A-D**). In
209 patch-clamp recordings, we also observed a significant decrease in the frequency of spontaneous
210 and miniature inhibitory postsynaptic currents (sIPSCs, mIPSCs) in AD neurons compared to WT

211 but no significant change in amplitude (**Figure 5A-F, Figure 5-figure supplement 2A-F**).
212 Validating these findings in hiPSC-based cultures, a similar decrease in inhibitory
213 neurotransmission was previously reported in vivo in AD transgenic mice (Verret et al., 2012).
214 Additionally, we found a decrease in vesicular GABA transporter (VGAT) levels in AD compared
215 to WT cultures, consistent with the notion that a decrease in presynaptic release probability could
216 cause the decrease in mIPSC frequency (**Figure 5G-J, Figure 5-figure supplement 2G-J**).
217 Taken together, the increase in excitation and decrease in inhibition that we observed in AD
218 hiPSC-derived neuronal cultures compared to WT controls could contribute to network imbalance
219 between firing stability and synaptic plasticity that has been proposed to contribute to early AD
220 based on data from both human brain and transgenic animal models (Styr and Slutsky, 2018).

221

222 **γ -Secretase or BACE1 inhibition reverses the hyperexcitability of AD neurons**

223 Next, we further investigated the mechanism underlying the observed hyperactivity in hiPSC-
224 derived AD neurons. Along these lines, we found that incubation in the γ -secretase inhibitor
225 compound E (1 μ M) reversed the increase in spontaneous action potential frequency, sodium
226 current density, and excitatory postsynaptic currents in PS1 mutant (M146V/WT) AD neurons
227 (**Figure 6 A-G**). Similarly, APP mutant AD neurons (APP^{swe}/WT), which bear a mutation adjacent
228 to the BACE1 cleavage site of APP, exhibited a similar decrease in hyperexcitability following
229 incubation with BACE inhibitor IV (1 μ M) (**Figure 6 A-G**). Isogenic control neurons (WT/WT) did
230 not show significant changes in the presence of γ -secretase or BACE1 inhibitors (**Figure 6 A-G**).
231 These results are consistent with the notion that genetic mutations leading to the accumulation of
232 A β oligomers directly contribute to the hyperexcitable phenotype of AD hiPSC-derived neurons.

233

234 **AD cerebral organoids show aberrantly increased electrical activity**

235 To examine network phenomena in three-dimensions (3D) with our AD hiPSC-based models, we
236 next studied AD neuronal activity in 2-month-old cerebral organoids prepared from WT/WT,
237 M146V/WT, and APP^{SWE}/WT hiPSC lines. By this age, the cerebral organoids matured to the stage
238 of forming discrete cortical layers and displayed stable electrophysiological properties in WT as
239 well as PS1 (M146V) and APP (APP^{SWE}) mutants (**Figure 7A,G,H**) (Lancaster and Knoblich, 2014;
240 Velasco et al., 2019; Yoon et al., 2019). Characterizing the cerebral organoids, we found
241 increased A β immunostaining and a statistically significant increase in the ratio of secreted
242 A β ₄₂/A β ₄₀ and total A β levels in the PS1- mutant and APP-mutant cerebral organoids respectively
243 compared to WT (**Figure 7B-D**), as has been reported previously (Choi et al., 2014; Gonzalez et
244 al., 2018). Similar to our 2D cultures, we found shorter neurites/dendrites in AD cerebral
245 organoids compared to WT (**Figure 7E,F**). AD cerebral organoids also show increased VGLUT1
246 and decreased VGAT staining (**Figure 7-figure supplement 1A, B**). Notably, AD cerebral
247 organoids plated in a multielectrode array (MEA) recording chamber displayed a significant
248 increase in action potential firing rate compared to WT (**Figure 7G,H**), mimicking their 2D
249 counterparts.

250

251 Discussion

252 hiPSC-derived neurons in 2D cultures and 3D organoids as a model system for AD

253 While no in vitro system can be expected to simulate every aspect of a complex
254 neurodegenerative disorder of aging such as AD, our results show that hiPSC models derived
255 from AD patient mutations may prove useful for two reasons. First, AD hiPSCs allow us to study
256 aspects of the electrical properties of AD neurons in a human context in both 2D cultures and 3D
257 cerebral organoids and compare them to known in vivo phenotypic studies in AD transgenic
258 mouse models and in human AD brain. Indeed, we found that hiPSC-derived neurons in 2D

259 culture differentiated for ≥ 5 weeks displayed stable phenotypes that resemble several aspects of
260 the electrophysiological abnormalities, including hyperexcitability, previously observed in vivo in
261 human AD brain and transgenic mouse models. Moreover, after >2 months of maturation,
262 cerebral organoids showed clear layer formation, allowing us to examine early neural network
263 aspects of the disease in cells that bear familial AD-causing mutations. Second, given that similar
264 electrical events are observed in the hiPSC system as in in vivo models, this reductionist
265 approach allows us to begin to elucidate the underlying mechanism(s) for the aberrant electrical
266 activity in AD brains.

267 Since familial AD generally does not manifest symptoms until 40-50 years of age (Kwart et
268 al., 2019), it is somewhat surprising that our hiPSC-based models display electrophysiological
269 features of the disease phenotype. This is especially perplexing because hiPSCs are
270 reprogrammed to an earlier epigenetic state and hence would lack age-related changes (Mertens
271 et al., 2018; Miller et al., 2013). However, in the intact human brain there are homeostatic
272 mechanisms that may play a role in delaying the onset of the disease, and these “brakes” on the
273 system are not present in our simplified culture systems. While no AD animal model or culture
274 system can recapitulate factors contributing to human aging (LaFerla and Green, 2012), genetic
275 factors contributing to AD, as studied here, may be reproduced in a hiPSC model. For example,
276 our study and others have shown that hiPSC-derived neurons with early onset AD mutations
277 manifest greater A β secretion and deposition early on in their development in culture (Kwart et al.,
278 2019; Paquet et al., 2016; Woodruff et al., 2013). These early changes indicate that early stages
279 of AD pathophysiology do indeed occur in these in vitro systems (Penney et al., 2019). Moreover,
280 3D cerebral organoids derived from these hiPSCs display accumulation of A β over several
281 months and can be maintained for over a year, which is still far from the timescale of human brain
282 aging, but comparable to many AD animal models (Choi et al., 2014; Gonzalez et al., 2018). Thus,

283 although hiPSC models of AD are far from perfect, they are reproducible, allow for rigorous
284 investigation of underlying mechanisms for specific phenotypes found in human AD brains such
285 as hyperexcitability, and thus afford the opportunity of elucidating novel insight into early stages of
286 human AD pathophysiology.

287 In particular, we were interested in studying excitability/firing properties and synaptic
288 dysfunction that might precede and predispose the synaptic loss that represents the hallmark of
289 advanced stages of symptomatic AD (DeKosky and Scheff, 1990; Terry et al., 1991). Thus, our
290 findings potentially yield insight into the origin of the observed hyperexcitable phenotype that
291 occurs in human AD patient brains and AD transgenic mouse models as well as in our hiPSC
292 model systems.

293

294 **Aberrant activity in AD neurons associated with morphological changes and ion channel** 295 **dysfunction**

296 Hyperexcitability and ion channel dysfunction have been implicated in the pathophysiology of AD
297 in prior studies in a variety of animal and cell-based models (Kim et al., 2007; Liu et al., 2015;
298 Palop and Mucke, 2016; Talantova et al., 2013). However, the mechanism underlying this
299 hyperexcitability and its effect on network signaling has not been fully elucidated. While inhibitory
300 neuron dysfunction may be essential for aberrant excitability in AD brain [see, e.g., (Verret et al.,
301 2012)], we also found a contribution of aberrant excitatory neuronal activity in our AD hiPSC-
302 derived neurons, as suggested previously in AD transgenic mouse models (Siskova et al., 2014).
303 Specifically, comparing AD hiPSCs and isogenic WT controls, we found that AD neurons exhibited
304 a decrease in neurite length. As shown previously in APP/PS1 AD transgenic mice, such loss of
305 dendrites can contribute to abnormal postsynaptic integration of currents, leading to abnormal
306 hypersynchronous network activity (Siskova et al., 2014). Our results showing hyperactivity in AD

307 hiPSC-derived neuronal cultures and cerebral organoids coupled with decreased neurite length
308 are in close agreement with prior results in the AD transgenic mouse model, and thus validate our
309 in vitro human model with in vivo findings.

310 Additionally, we found an increase in sodium current density and altered kinetics that may
311 contribute to the increase in excitability observed in human AD brains, e.g., as recorded on EEG.
312 While previous reports had shown a decrease in sodium current density in AD neurons in cell-
313 based and transgenic models (Kim et al., 2007; Palop and Mucke, 2016), this decrease was
314 observed in PV-positive inhibitory interneurons, rather than in excitatory neurons as found here.
315 However, in support of our findings, enhanced Nav1.6 sodium channel expression was recently
316 demonstrated in APP/PS1 bigenic AD mice, suggesting that A β may be responsible for the
317 resulting increase in voltage-gated sodium current in excitatory neurons (Liu et al., 2015; Wang et
318 al., 2016).

319

320 **Accelerated maturation in PS1 mutant AD hiPSC-derived neurons compared to isogenic** 321 **WT controls**

322 Interestingly, we also observed developmental differences between PS1 (but not hAPP) mutant
323 AD neurons and isogenic WT controls. For example, PS1 mutant AD hiPSC-derived neurons
324 manifested action potentials and larger neuronal size at 2 weeks of culture. Based on prior
325 evidence, the accelerated maturation of PS1 mutant neurons may occur because of decreased γ -
326 secretase activity, leading to reduced Notch signaling, which would otherwise inhibit differentiation
327 of neural progenitors (Li et al., 2011). In support of this hypothesis, APP mutant AD neurons,
328 which display normal γ -secretase activity, did not exhibit more rapid maturation compared to
329 isogenic WT controls. Moreover, by week 4 in culture, WT neurons had caught up with the PS1

330 mutant neurons with regard to the various neuronal parameters. Indeed, both PS1 and APP
331 mutant AD neurons showed a decrease in cell capacitance at the later timepoints, reflecting
332 neuritic/dendritic loss compared to WT. Nonetheless, both PS1 and mutant APP AD neurons
333 maintained their hyperactivity throughout the culture period (≥ 7 weeks), suggesting that
334 hyperactivity represents a true pathophysiological phenotype that begins to manifest early in the
335 disease process.

336

337 **Synaptic dysfunction contributes to aberrant activity in AD neurons**

338 In our AD neurons we also observed an increase in sEPSCs, which may represent more effective
339 integration of synaptic inputs. This synaptic facilitation may arise in part from the observed
340 decrease in neurite length and branching in the AD neurons. In a similar fashion, in an AD
341 transgenic mouse model, Stefan Remy's group has shown that dendritic degeneration resulted in
342 enhanced synaptic efficacy and increased spontaneous excitatory postsynaptic potential (EPSP)
343 amplitude and frequency (Siskova et al., 2014).

344 We also observed an increase in the frequency of mEPSCs in electrophysiological
345 recordings and in VGLUT1 levels histologically in the AD hiPSC-derived excitatory neurons,
346 consistent with the notion of increased presynaptic release probability. In accord with these
347 findings, previously reports have shown that A β peptide increases release probability at excitatory
348 synapses (Abramov et al., 2009; Fogel et al., 2014; Parodi et al., 2010; Wang et al., 2017).
349 Moreover, the increased levels of VGLUT1 found in our study are similar to those shown in human
350 AD brain tissue and mouse models (Sokolow et al., 2012; Timmer et al., 2014). Collectively, these
351 findings suggest that both morphological changes in neurites and increased release probability
352 may contribute to excitatory synaptic hyperactivity.

353 In addition to an increase in excitatory neurotransmission, we found a decrease in inhibitory
354 activity, as reflected by decrements in sIPSC and mIPSC frequency in the AD neuronal cultures
355 compared to WT. This could be in part due to a decrease in the number of GABAergic neurons
356 and thus inhibitory endings. In fact, we found a decrease in VGAT levels, as observed previously
357 in AD transgenic mouse models (Fuhrer et al., 2017). Additionally, prior reports have implicated a
358 decrease in PV interneuron activity because of decreased sodium channel expression in AD
359 transgenic mouse models (Palop and Mucke, 2016). In agreement with our finding of decreased
360 inhibitory neuronal numbers in AD hiPSC-derived cultures, a decrease in the interneuron
361 population has also been suggested as a contributory factor to neuronal hyperactivity based on
362 AD mouse models (Schmid et al., 2016).

363 We also observed that AD hiPSC-derived neuronal hyperactivity could be significantly
364 ameliorated by γ -secretase or BACE1 inhibitors, suggesting that aberrant APP processing
365 contributes to the observed pathophysiology. Along these lines, multiple pathological species
366 formed from abnormal APP processing have been reported, including, for example, A β oligomers,
367 APP intracellular domain (AICD), and the β -secretase-derived fragment, C99 (β -CTF) (Ghosal et
368 al., 2009; Kwart et al., 2019). Several studies including our own have suggested that A β dimers or
369 oligomers may contribute to hyperexcitability in AD (Talantova et al., 2013; Selkoe, 2019; Zott et
370 al., 2019). Our new findings yield mechanistic insight into these observations.

371 In conclusion, mechanisms affecting both excitatory and inhibitory neurons can contribute
372 to the observed hyperactivity in AD neuronal networks. Here we have used AD hiPSC-derived
373 neurons to show how dysfunction emanating from degenerating neurite morphology, ion current
374 density, firing properties, and altered synaptic transmission can contribute to the aberrant
375 hyperactivity of AD neuronal networks.

376

377 **Materials and methods**

378 **KEY RESOURCE TABLE**

Reagents or Resource	Designation	Source or reference	Identifiers	Additional information
Cell culture	Matrigel	Corning	Cat # 354230	
Cell culture	mTeSR 1	STEMCELL Technologies	Cat # 85850	
Cell culture	Dorsomorphin	Tocris	Cat # 3093	
Cell culture	A83-01	Stemgent	Cat # 04-0014	
Cell culture	PNU74654	Tocris	Cat # 3534	
Cell culture	DMEM/F12	ThermoFisher	Cat # 10565018	
Cell culture	N2	ThermoFisher	Cat # 17502048	
Cell culture	B27	ThermoFisher	Cat # 17504044	
Cell culture	FGF	R&D	Cat # 4114-TC	
Cell culture	p-ornithine	Millipore Sigma	Cat # 27378490	
Cell culture	laminin	Trevigen	Cat # 340001001	
Cell culture	Knockout Serum Replacement	ThermoFisher	Cat # 10828028	

Cell culture	β -Mercaptoethanol	ThermoFisher	Cat # 21985023	
Cell culture	BDNF	Peprotech	Cat # AF-450-02	
Cell culture	GDNF	Peprotech	Cat # AF-450-10	
Cell culture	ES-FBS	ThermoFisher	Cat # 16141079	
Organoid culture	Cerebral Organoid Kit	STEMCELL Technologies	Cat # 08570	
Critical commercial assay	V-PLEX Plus A β Peptide Panel 1 (6E10) Kit	Meso Scale Discovery	Cat # K15200	
Electrophysiology	K-Gluconate	Millipore Sigma	Cat # P1847	
Electrophysiology	Cs-Gluconate	Hello Bio	Cat # HB4822	
Electrophysiology	KCl	Millipore Sigma	Cat # 60128	
Electrophysiology	CsCl	Millipore Sigma	Cat # C4036	
Electrophysiology	MgCl ₂	Fluka	Cat # 63020	
Electrophysiology	HEPES	Millipore Sigma	Cat # H4034	
Electrophysiology	EGTA	Millipore Sigma	Cat # 3889	
Electrophysiology	Mg-ATP	Millipore Sigma	Cat # A9187	

Electrophysiology	HBSS	ThermoFisher	Cat # 14175079	
Electrophysiology	CaCl ₂	Millipore Sigma	Cat # C5080	
Electrophysiology	Glycine	Millipore Sigma	Cat # G2879	
Electrophysiology	Tetrodotoxin citrate	Hello Bio	Cat # HB 1035	
Electrophysiology	β-Secretase Inhibitor IV	EMD Millipore	Cat # 565788	
Electrophysiology	Compound E	EMD Millipore	Cat # 565790	
Immunocytochemistry (ICC)	PFA	Alfa Aesar	Cat # 43368	
ICC	BSA	Millipore Sigma	Cat # A0336	
ICC	Triton X-100	Millipore Sigma	Cat # T8532	
ICC antibody	DAPI	Invitrogen	Cat # D1306; RRID:AB_26294 82	1:500
ICC antibody	Chicken polyclonal Anti- Tuj1	Abcam	Cat # ab41489; RRID:AB_72704 9	1:200

ICC antibody	Mouse monoclonal Anti-Synapsin 1	Synaptic Systems	Cat # 106 011; RRID:AB_2619772	1:500
ICC antibody	Rabbit polyclonal Anti-Homer 1	Synaptic Systems	Cat # 160 003; RRID:AB_887730	1:200
ICC antibody	Mouse monoclonal Anti-VGAT	Synaptic Systems	Cat # 131 011; RRID:AB_887868	1:200
ICC antibody	Rabbit polyclonal Anti-VGLUT1	EMD Millipore	Cat # ABN1647; RRID:AB_2814811	1:500
ICC antibody	Rabbit polyclonal Anti-GABA	Sigma	Cat # A2052; RRID:AB_477652	1:100
ICC antibody	Mouse monoclonal Anti-Parvalbumin	EMD Millipore	Cat # MAB1572; RRID:AB_2174013	1:100
ICC antibody	Rabbit polyclonal Anti-FOXG1	Abcam	Cat # ab18259; RRID:AB_732415	1:250
ICC antibody	Rat monoclonal Anti-CTIP2	Abcam	Cat # ab18465; RRID:AB_2064130	1:200

ICC antibody	Rabbit polyclonal Anti-TBR2	Abcam	Cat # ab23345; RRID:AB_77826 7	1:300
ICC antibody	Mouse monoclonal Anti-Nestin	Abcam	Cat # ab22035; RRID:AB_44672 3	1:200
ICC antibody	Anti-Amyloid β 1- 16	Biolegend	Cat # 803001; RRID:AB_25646 53	1:2000
Immunoblot antibody	Mouse monoclonal Anti-VGAT	Synaptic Systems	Cat # 131011; RRID:AB_88786 8	1:500
Immunoblot antibody	Rabbit polyclonal Anti-VGLUT1	Synaptic Systems	Cat # 135303; RRID:AB_88787 5	1:1000
Software and	Clampex v10.6	Molecular Devices	RRID:SCR_0113 23	

Algorithms	(pClamp)			
Software and Algorithms	Clampfit v10.6 (pClamp)	Molecular Devices	RRID:SCR_011323	
Software and Algorithms	Mini Analysis	Synapstosoft	http://www.synapstosoft.com/MiniAnalysis/ ; RRID:SCR_002184	
Software and Algorithms	ImageJ	NIH	https://imagej.nih.gov/ij/ ; RRID:SCR_003070	
Software and Algorithms	Prism7	GraphPad	http://www.graphpad.com ; RRID:SCR_002798	

hiPSC lines

Four hiPSC lines were used in this study:

a) $\Delta E9$ /WT-hiPSC line bearing the PSEN1 $\Delta E9$ mutation and isogenic WT control

(from the Lawrence Goldstein Lab, University of California, San Diego).

b) M146V/WT and APP^{SWE}/WT hiPSC lines bearing the PSEN1 M146V and APP

Swedish mutation, respectively, and the associated isogenic WT control (from the

Marc Tessier-Lavigne lab, Rockefeller University/Stanford University).

The details regarding these lines have been previously published (Paquet et al., 2016;

Woodruff et al., 2013).

hiPSC maintenance and differentiation

Differentiation of hiPSCs was performed using standard protocols for generating

cerebrocortical neurons (Talentova et al., 2013). Briefly, feeder-free hiPSCs were cultured

on Matrigel in mTeSR 1 medium (StemCell Technologies, Vancouver, Canada).

Differentiation was induced by exposure to a cocktail of small molecules containing 2 μ M

each of Dorsomorphin (bone morphogenetic protein inhibitor, Tocris, Minneapolis, MN),

A83-01 (Activin/Nodal inhibitor, Tocris) and PNU74654 (Wnt/ β -catenin inhibitor, Tocris) for

6 days in DMEM/F12 medium supplemented with 20% Knock Out Serum Replacement

(Invitrogen, Carlsbad, CA). Cells were scraped manually to form PAX6⁺ neurospheres,

which were maintained for about 2 weeks in DMEM/F12 medium supplemented with N2

and B27 (Invitrogen) and 20 ng ml⁻¹ of basic FGF. The neurospheres were subsequently

seeded on p-ornithine/laminin-coated dishes to form a monolayer of human neural

progenitor cells (hNPCs) containing rosettes, which were manually picked and expanded.

For terminal differentiation, two different protocols were used to confirm that the results obtained did not vary with differentiation protocol. Similar data were obtained with each of the following protocols: (i) a 1:1 ratio of hNPCs and neonatal mouse astrocytes were seeded onto p-ornithine/laminin-coated glass coverslips (7×10^5 cells cm^{-2}) in DMEM/F12 medium supplemented with N2 and B27, brain derived neurotrophic factor (20 ng ml^{-1}), glial cell line-derived neurotrophic factor (20 ng ml^{-1}), and 0.5% FBS. Alternatively, (ii) hNPCs were treated with 100 nM compound E (EMD Millipore, Temecula, CA) in BrainPhys medium (StemCell Technologies) for 48 hours and then maintained in culture in BrainPhys medium. Note that for experiments in which synapse formation was analyzed, the hiPSC-derived neurons were plated on a bed of astrocytes to foster synapse formation (Ullian et al., 2001). Both of our differentiation protocols produced 8-15% inhibitory neurons, as monitored by immunocytochemistry with anti-GABA antibody (Sigma, St. Louis, MO). Cells at week 3 of terminal differentiation were switched to BrainPhys medium, and most experiments were conducted after 5-6 weeks of differentiation.

One NPC line per genotype was isolated and DNA sequencing to confirm the mutations was done using the primers supplied by the original lab (Paquet et al., 2016).

Cerebral organoid culture preparation

Differentiation of hiPSCs to generate cerebral organoids was performed using an organoid differentiation kit (StemCell Technologies). Briefly, hiPSCs were seeded in 96-well plates with embryoid body (EB) seeding media and maintained with EB formation media for 5 days. Thereafter the newly formed EBs were transferred to 24-well plates and maintained in induction medium. After 48 hr., the EBs that had developed translucent edges were

embedded in Matrigel and transferred to a 6-well plate containing expansion medium. Three days later, embedded EBs that had developed budding neuroepithelia were considered newly formed organoids. These organoids were then transferred to maturation media for development of cortical-like layers and other more mature phenotypes. All plates used were low-attachment plates, as recommended by the manufacturer (StemCell Technologies). The age of the organoids was determined from the start of the maturation step of the protocol, i.e., the day they were placed in maturation medium. By 8 weeks of age, we observed the formation of cortical-like layers. Organoids were maintained on an orbital shaker until used in experiments.

Enzyme-linked immunosorbent assay (ELISA)

After 6 weeks of terminal differentiation, the level of human A β peptides 1-38, 1-40 and 1-42 were measured in the culture medium of AD hiPSC-derived neurons by ELISA (V-PLEX A β Peptide Panel 1 (6E10) Kit, Meso Scale Discovery). Culture medium was collected for one week after the prior media change and processed as recommended by the manufacturer. The ELISA plate was read in a MESO QuickPlex SQ 120 reader (Meso Scale Discovery). Additionally, we determined the level of A β peptides secreted by 1-2 month-old cerebral organoids; for this purpose, culture medium was collected 3 days after the prior medium change and processed as above. All samples were taken from age-matched organoids and measured in duplicate for statistical analysis.

Electrophysiology and pharmacology

Whole-cell recordings with a patch electrode were performed using 3- to 5-M Ω resistance pipettes filled with an internal solution composed of (in mM): K-gluconate, 120; KCl, 5; MgCl₂, 2; HEPES, 10; EGTA, 10; Mg-ATP, 4; pH 7.4 and mOsm 290. The external

solution was composed of Ca^{2+} and Mg^{2+} -free Hank's Balanced Salt Solution (HBSS; GIBCO, Gaithersburg, MD) to which we added CaCl_2 , 2 mM; HEPES, 10 mM; glycine, 20 μM ; pH 7.4. Patch pipettes were pulled from borosilicate glass capillaries (G150F-3; Warner Instruments, Hamden, CT) using a micropipette puller (P97; Sutter Instruments, Novato, CA). All recordings were performed using a Multiclamp 700B amplifier (Molecular Devices) at a data sampling rate of 10 kHz with a Digidata 1440A analog-to-digital convertor (Molecular Devices). Voltage-clamp and current-clamp protocols were applied using Clampex v10.6 (Molecular Devices).

Preliminary analysis and offline filtering at 500 Hz were achieved using Clampfit v10.6 (Molecular Devices). Spontaneous postsynaptic currents (sPSCs) were recorded in gap-free mode at a holding potential of -70 mV and 0 mV. The internal solution comprised of (in mM): K-gluconate, 120; KCl, 5; MgCl_2 , 2; HEPES, 10; EGTA, 10; Mg-ATP, 4; pH 7.4 and mOsm 290. Under these conditions at 21 °C, the chloride ion reversal potential was approximately -70 mV; hence, synaptic currents recorded at -70 mV represented excitatory responses. Since the cation reversal potential was approximately 0 mV, synaptic currents recorded at 0 mV were predominantly inhibitory in nature. To assess the effect of γ -secretase and BACE1 inhibitors, we performed recordings of spontaneous action potentials, voltage gated sodium channel currents, and sEPSCs with the aforementioned external and internal solutions after incubating hiPSC-derived neuronal cultures for 2 days in the γ -secretase inhibitor compound E (EMD Millipore) or 4 days in BACE inhibitor IV (EMD Millipore), respectively, each at 1 μM (Kwart et al., 2019). Miniature excitatory postsynaptic currents (mEPSCs) were recorded at -70 mV and miniature inhibitory postsynaptic currents (mIPSCs) were recorded at 0 mV at 21 °C after equilibrium in tetrodotoxin (TTX) for at least 20 min. Internal solution used for recording

mEPSCs and mIPSCs comprised of (in mM): Cs-gluconate 130; CsCl 5; MgCl₂, 2; HEPES, 10; EGTA; 1; Mg-ATP, 4; pH 7.4 and mOsm 290. The external solution used was the same as that listed above with the addition of 1 μ M TTX. To calculate the frequency and amplitude of spontaneous synaptic events, Mini Analysis software (Synapstosoft, Fort Lee, NJ) was used.

To determine the readily releasable pool (RRP) of synaptic vesicles, we used a hypertonic sucrose solution containing 500 mM sucrose and 1 μ M TTX (Cho and Askwith, 2008). The internal solution used for the RRP experiments was same as that used for recording miniature postsynaptic currents. Sucrose evoked responses were recorded at a holding potential of -70 mV. For estimating the size of the RRP, total charge transferred during the transient phase of the sucrose-mediated response was quantified by calculating the area under the curve.

For measurements of the slope of action potential decay, we quantified the first evoked action potential elicited by a series of current-clamp steps. To measure sodium current rise time and decay time constants, 10-90% of the slope of the first sodium current trace elicited by a voltage-clamp step protocol was used for analysis. All quantifications were performed using Clampfit v10.6 (Molecular devices).

Immunocytochemistry of 2D neuronal cultures

Cells were fixed with 4% PFA for 20 min, washed with PBS, and blocked with 3% BSA/0.3% Triton X-100 in PBS for 30 min. Cells were incubated with primary antibody overnight, and the appropriate Alexa Fluor (488, 555, 647) conjugated secondary antibody was used at 1:1000 dilution. Primary antibodies and dilutions were as follows: Tuj1 (1:200; Abcam, Cambridge, MA), FOXP1 (1:250; Abcam), Synapsin 1 (1:500; Synaptic Systems, Gottingen, Germany), Homer (1:200; Synaptic Systems), VGAT (1:200, Synaptic

Systems), VGLUT1 (1:500, EMD Millipore), GABA (1:100, Sigma, St. Louis, MO), Parvalbumin (1:100, EMD Millipore). Cells were counterstained with DAPI (1:500; Invitrogen).

Images were collected by laser scanning confocal fluorescence microscopy (Nikon A1) by an observer blinded to experimental group. The area covered by Tuj1 immunostaining (imaged using a 20X objective) was analyzed with ImageJ 1.52p. Somal area was determined manually by marking the Tuj1-positive area around DAPI-stained nuclei using the freehand selection tool in ImageJ. Neurite area was determined by subtracting the somal area from the total Tuj1-immunostained area. For synapse quantification, colocalized presynaptic (Synapsin 1) and postsynaptic (Homer) puncta within Tuj1-expressing neuronal cells (imaged using a 60X objective) were counted using ImageJ. The number of synaptic puncta were scored per μm of neurite length. For VGLUT1 and VGAT immunofluorescence images (also collected using a 60X objective), total VGLUT1 and VGAT intensity was quantified using ImageJ and normalized to total Tuj1 intensity. All analyses were performed by an observer masked to experimental condition.

Immunocytochemistry of cerebral organoids

After 2 months of development, cerebral organoids were fixed in 4% PFA at 4 °C overnight followed by serial incubation in 15% and 30% sucrose in PBS overnight. Fixed organoids were then placed in a cryomold and embedded in tissue freezing medium (General Data, Cincinnati, OH). Thereafter, they were flash frozen with isopentane and liquid nitrogen and stored at -80 °C. Frozen organoids were mounted on sample stubs of a cryostat using optimal cutting temperature (OCT) compound and then sectioned at 20- μm thickness. The sections were collected on glass slides and stained with antibodies to CTIP2 (1:200;

Abcam), Tbr2 (1:300; Abcam), Nestin (1:200; Abcam), Tuj1 (1:200; Abcam), VGAT (1:200, Synaptic Systems), VGLUT1 (1:500, EMD Millipore), or A β peptide (1:2000; Biolegend). Sections were then imaged with a laser scanning confocal fluorescence microscope (Nikon A1).

Transfection and neurite tracing

Neurons differentiated from hNPCs via incubation with Compound E were transfected with pCAG-MaxGFP (GFP) using lipofectamine 2000 (Invitrogen). GFP-labeled neurons were imaged with a 10X objective using a Nikon A1 confocal microscope. The imaged neurons were then traced using the neurite tracer plugin available in Image J. An observer masked to the experimental group traced the neurites for subsequent quantification.

Immunoblots

Western blots were performed to assess and quantify VGLUT1 and VGAT levels. For this purpose, 4-5 week-old neuronal cultures were washed with PBS and lysed in RIPA lysis buffer to which Halt Protease Inhibitor Cocktail was added (Thermo Fisher Scientific). Lysates diluted in SDS sample Buffer plus β -mercaptoethanol were separated on Blot 4–12% Bis Tris Plus gels (Invitrogen) and transferred to PVDF membrane (EMD Millipore). Primary antibodies used included anti-VGAT antibody (1:500 dilution, Synaptic Systems) and anti-VGLUT1 antibody (1:1,000 dilution, Synaptic Systems). Secondary antibodies were purchased from LI-COR Biosciences. Labelled proteins were detected using an Odyssey Infrared Imaging System (LI-COR Biosciences). Densitometry of protein band was analyzed with ImageJ software.

Golgi staining

Golgi staining was performed using a sliceGolgi Kit (Cat#003760, Bioenno Tech, LLC). Organoids were fixed in the aldehyde fixative provided by the manufacturer overnight at 4 °C. The organoids were then embedded in 4% low melting agarose in high sucrose cutting solution and left to solidify. The organoids were sectioned at 200- μ m thickness using a vibratome (VT 1000S, Leica Biosystems). The sections were collected in 6-well plates and immersed in impregnation solution for 7 days. The sections were further then processed as recommended by the manufacturer. After mounting with permount (Fisher Chemicals), the sections were imaged in bright-field mode. Neurons were then traced using ImageJ and analyzed for neurite length by an observer masked to experimental group.

MEA recordings

For MEA recordings, 6-week-old cerebral organoids were plated on CytoView 12-well plates (Axion Biosystems) coated with 0.1% polyethyleneimine (PEI) and laminin (10 μ g/ml). Spontaneous electrical activity was recorded two weeks later. Recordings were performed at 37 °C using the standard neural settings in 'neural spikes analog mode' (Maestro Axis Software, version 2.4.2, Axion Biosystems). Analysis was performed using the neural metric tool.

Data analysis and statistics

Data are presented as mean \pm SEM. Statistical analyses were performed using GraphPad Prism software. In general, for single comparisons, a two-tailed unpaired Student's t-test was used for determining statistical significance. For multiple comparisons, a two-tailed ANOVA followed by a post-hoc test was utilized. For non-parametric data, single comparisons were made with a two-sided Mann-Whitney U test, and for multiple

comparisons, a Kruskal Wallis test was used followed by a post-hoc test. A p value < 0.05 was considered to be statistically significant.

Experimental design

Inclusion and exclusion criteria of any data or subjects: We did not exclude any data from analysis. All data presented in the figures were biological replicates as they were from separate samples and are listed in the figures as sample size. In ELISA experiments duplicates of each sample, considered as technical replicates, were used and the mean value for each sample was taken. The sample size listed for the ELISA experiments represent biological replicates.

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Competing Interests

The authors declare no conflicts of interest related to this work.

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FIGURE LEGENDS

Figure 1. AD neurons show enhanced excitability compared to isogenic control

neurons. (A) Spontaneous action potentials (sAP) at resting membrane potential (RMP).

WT/WT hiPSC-derived cerebrocortical neuron data in black, M146V/WT and APP^{Swe}/WT in

red. **(B)** Quantification of sAP frequency. **(C)** Evoked APs in neurons hyperpolarized to -60

mV. Single traces (insets). **(D-H)** Neuronal membrane and AP properties. Quantification of

resting membrane potential (RMP, D), AP threshold (AP_{threshold}, E); AP height (F); width at

AP half height (G); AP decay slope (H). **I.** Quantification of cell capacitance (C_m), reflecting

neuronal size. Data are mean ± SEM. Statistical significance analyzed by ANOVA with

post hoc Dunnett's test. Exact p values for comparison to WT are listed in the bar graphs

in this and subsequent figures. Unless otherwise stated, total number of neurons

quantified is listed above the bars in this and subsequent electrophysiology figures.

Figure 1-Source data1- Excel files containing data shown as summary bar graph in

Figure 1B, D-I.

Figure 1-figure supplement 1. AD hiPSC-derived neuronal cultures express cortical

neuronal markers and aberrant Aβ levels compared to isogenic controls. (A) DNA

sequencing to confirm the presence of mutations in hiPSC-derived neural progenitor cells

with WT/WT, M146V/WT, and APP^{Swe}/WT genotypes. **(B)** hiPSC-derived neurons showing

FOXG1 and Tuj1 expression. **(C)** hiPSC-derived neurons showing FOXG1 and CTIP2

expression. **(D)** Ratio of Aβ₄₂/Aβ₄₀ quantified by ELISA from cultures at 5 weeks. **(E)**

Quantification of Aβ levels normalized to total protein from lysates at 5 weeks. Data are

mean ± SEM. Statistical significance analyzed by two-tailed unpaired Student's t-test for

single comparisons and ANOVA with post hoc Dunnett's test for multiple comparisons.

Number of independent experiments listed above the bars.

Figure 1-figure supplement 2. Δ E9/WT neurons show enhanced excitability

compared to isogenic control neurons. (A) Spontaneous action potentials (sAP) at

resting membrane potential (RMP). WT/WT hiPSC-derived cerebrocortical neuron data in

black, Δ E9/WT in red. **(B)** Quantification of sAP frequency. **(C)** Evoked APs in neurons

hyperpolarized to -60 mV. Single traces (insets). **(D-H)** Neuronal membrane and AP

properties. Quantification of resting membrane potential (RMP, D), AP threshold

(AP_{threshold}, E); AP height (F); width at AP half height (G); AP decay slope (H). **(I)**

Quantification of cell capacitance (Cm), reflecting overall neuronal size. Data are mean \pm

SEM. Statistical significance analyzed by two-tailed unpaired Student's t-test.

Figure 2. AD neurons show differences in morphology and sodium channel

properties compared to WT neurons. WT/WT hiPSC-derived cerebrocortical neuron

data in black, M146V/WT and APP^{Swe}/WT in red at 5 weeks of culture. **(A)** Representative

images of cells expressing the neuronal marker Tuj1. **(B)** Quantification of area covered by

neurites expressing Tuj1 normalized to total number of neurons. **(C)** Quantification of

somal area normalized to total number of neurons. Total number of random fields of

neuronal cultures analyzed in 3 separate experiments is listed above the bars in B,C. **(D)**

Representative tracings of neurites from WT/WT, APP^{Swe}/WT, and M146V/WT AD lines.

Scale bar: 100 μ m. **(E)** Quantification of total neurite length. **(F)** Quantification of total

number of neurite branchpoints. Total number of neurons analyzed in 3 separate neuronal

cultures is listed above the bars in E,F. **(G)** Representative sodium and potassium currents

recorded from neurons clamped at -70 mV. (H) Current densities. (I) Sodium current (I_{Na}) rise time (τ_{rise}) and decay time (τ_{decay}). Data are mean \pm SEM. Statistical significance analyzed by ANOVA with post hoc Dunnett's test.

Figure 2-Source data1- Excel files containing data shown as summary bar graph in Figure 2E, F, H, I.

Figure 2-figure supplement 1. Changes in MAP2 and Tuj1 expression. (A)

Representative images of neurons expressing MAP2 (red) and Tuj1 (green). (B) Quantification of area covered by neurites expressing MAP2 normalized to total number of Tuj1 and DAPI-positive neurons in 9 random fields from 3 different cultures. Data are mean \pm SEM. Statistical significance analyzed by ANOVA with post hoc Dunnett's test ($p < 0.0001$).

Figure 2-figure supplement 2. Changes in Tuj1 expression and sodium channel properties in $\Delta E9/WT$ neurons. (A)

Representative images of neurons expressing of Tuj1. (B) Quantification of area covered by neurites expressing Tuj1 normalized to total number of neurons. (C) Quantification of somal area normalized to total number of neurons. Total number of random fields of neuronal cultures analyzed in 3 separate experiments is listed above the bars in B,C. (D) Representative sodium and potassium currents recorded from neurons voltage-clamped at -70 mV. Magnified sodium current traces shown at right. WT/WT hiPSC-derived cerebrocortical neuron data in black, $\Delta E9/WT$ AD neurons in red. (E) Sodium (I_{Na}) and potassium (I_K) current densities. (F) I_{Na} rise time (τ_{rise}) and decay time (τ_{decay}). Data are mean \pm SEM. Statistical significance analyzed by two-tailed unpaired Student's t-test.

Figure 3. Developmental timeline of AD neurons compared to isogenic control

neurons. WT/WT hiPSC-derived cerebrocortical neuron data in black, M146V/WT and APP^{SWE}/WT AD neurons in red. **(A-C)** Representative evoked APs and sodium/potassium currents recorded from WT/WT (A), M146V/WT (B), and APP^{SWE}/WT (C) hiPSC-derived cerebrocortical neurons in culture for 2 weeks (Left), 4 weeks (Middle) and 6 weeks (Right). **(D)** Sodium (I_{Na}) and potassium (I_K) current densities. **(E)** Quantification of cell capacitance (C_m). Note that potassium current density and cell size were significantly greater in M146V/WT compared to WT/WT at the 2 week timepoint, but at later timepoints there was no difference in potassium current density but the cell capacitance of AD neurons significantly decreased. Data are mean \pm SEM. Statistical significance analyzed by ANOVA with post-hoc Dunnett's test.

Figure 3-Source data1- Excel files containing data shown as summary bar graph in Figure 3 D (2weeks, 4 weeks and 6 weeks); 3 E (2weeks, 4 weeks and 6 weeks).

Figure 3-figure supplement 1. Developmental timeline of $\Delta E9$ /WT neurons

compared to isogenic control neurons. **(A,B)** Representative evoked APs and sodium/potassium currents recorded from WT/WT (A) and $\Delta E9$ /WT (B) hiPSC-derived cerebrocortical neurons in culture for 2 weeks (*left*), 4 weeks (*middle*) and 6 weeks (*right*). **(C)** Sodium (I_{Na}) and potassium (I_K) current densities. **(D)** Quantification of cell capacitance (C_m). Data are mean \pm SEM. Statistical significance analyzed by two-tailed unpaired Student's t-test.

Figure 3-figure supplement 2. Synaptic development in hiPSC-derived AD neurons

vs WT neurons. (A) Representative images showing presynaptic (synapsin; green) and postsynaptic (homer; red) staining in WT/WT, M146V/WT, and APP^{Swe}/WT cultures at 2 weeks, 4 weeks and 6 weeks. (B) Quantification of number of synapses, represented by colocalization of synapsin and homer puncta per μm of neurite length. Data are mean \pm SEM. Statistical significance analyzed by ANOVA with post hoc Dunnett's test. Total number of neurites analyzed for each condition listed above each bar for 4-5 experiments.

Figure 4. AD neurons show disrupted excitatory synaptic transmission compared to

isogenic control neurons. (A) Representative spontaneous excitatory postsynaptic current (sEPSC) recorded at -70 mV from WT/WT, M146V/WT and APP^{Swe}/WT hiPSC-derived cerebrocortical neurons in culture for 5 weeks. (B,C) Quantification of sEPSC parameters. Quantification of mean amplitude (B) and quantification of mean frequency (C). (D) Representative miniature excitatory postsynaptic currents (mEPSCs) recorded at -70 mV from WT/WT, M146V/WT and APP^{Swe}/WT hiPSC-derived cerebrocortical neurons at 5 weeks in culture. (E,F) Cumulative probability of mEPSC amplitude (inset: quantification of mean amplitude, E) and mEPSC inter-event interval (inset: quantification of mean frequency, F). (G) Representative images of VGLUT1 immunostaining. (H) Quantification of VGLUT1 intensity normalized to Tuj1 intensity. Total number of random fields of neuronal cultures analyzed in 3 separate experiments is listed above the bars. (I) Representative western blot images showing VGLUT1 protein levels. (J) Ratio of VGLUT1/GAPDH normalized to the value of WT VGLUT1/GAPDH. Data are mean \pm SEM. Statistical significance analyzed by ANOVA with post-hoc Dunnett's test, or, for

immunoblot analysis, by a Kruskal Wallis test followed by Dunn's multiple comparisons (Deyts et al., 2016)). Number of independent experiments listed above bars.

Figure 4-Source data1- Excel files containing data shown as summary bar graph in Figure 4B, C.

Figure 4-figure supplement 1. Δ E9/WT neurons show increased excitatory synaptic activity compared to isogenic control neurons. WT/WT hiPSC-derived cerebrocortical neuron data in black, Δ E9/WT in red. (A) Representative images showing presynaptic (synapsin; green) and postsynaptic (homer; red) staining in WT/WT and Δ E9/WT cultures. **(B)** Quantification of number of synapses, represented by colocalization of synapsin (green) and homer (red) puncta per μ m of neurite length. Data from 6 different experiments. Total number of neurites analyzed in 4-5 experiments for each condition listed above bars. **(C)** Representative spontaneous excitatory postsynaptic current (sEPSC) recorded at -70 mV from WT/WT and Δ E9/WT hiPSC-derived cerebrocortical neurons in culture for 5 weeks. **(D,E)** Quantification of sEPSC parameters. Quantification of mean amplitude (D) and quantification of mean frequency (E). **(F)** Representative miniature excitatory postsynaptic currents (mEPSCs) recorded from WT/WT and Δ E9/WT hiPSC-derived cerebrocortical neurons at 5 weeks in culture. **(G,H)** Cumulative probability of mEPSC amplitude (inset: quantification of mean amplitude) and mEPSC inter-event interval (inset: quantification of mean frequency). **(I)** Representative images of VGLUT1 immunostaining. **(J)** Quantification of VGLUT1 intensity normalized to Tuj1 intensity. Total number of random fields of neuronal cultures analyzed in 3 separate experiments is listed above the bars. **(K)** Representative western blot images showing

expression of VGLUT1. (L) Ratio of VGLUT1/GAPDH normalized to the value of WT VGLUT1/GAPDH. Data are mean \pm SEM. Statistical significance analyzed by Student's t test or, for immunoblot analysis, Mann Whitney U test. Number of independent experiments listed above bars.

Figure 4-figure supplement 2. Depletion of readily releasable pool in AD and WT neurons. (A) Representative EPSC recorded at -70 mV upon application of 500 mM sucrose containing hypertonic solution in WT/WT, M146V/WT, and APP^{SWE}/WT hiPSC-derived AD cerebrocortical neurons in culture for 5 weeks. (B) Quantification of the readily releasable pool size (nC). Data are mean \pm SEM. Statistical significance analyzed by ANOVA with post hoc Dunnett's test.

Figure 5. AD neurons show diminished inhibitory synaptic transmission compared to isogenic control neurons. WT/WT hiPSC-derived cerebrocortical neuron data in black, M146V/WT and APP^{SWE}/WT in red. (A) Representative spontaneous inhibitory postsynaptic currents (sIPSCs) recorded at 0 mV from WT/WT, M146V/WT, and APP^{SWE}/WT hiPSC-derived cerebrocortical neurons in culture for 5 weeks. (B,C) Quantification of sIPSC amplitude and frequency. (D) Representative miniature inhibitory postsynaptic currents (mIPSCs) recorded at 0 mV from WT/WT, APP^{SWE}/WT, and M146V/WT hiPSC-derived cerebrocortical neurons at 5 weeks in culture. (E,F) Cumulative probability of mIPSC amplitude (inset: quantification of mean amplitude) and mIPSC inter-event interval (inset: quantification of mean frequency). (G) Representative images of VGAT immunostaining. (H) Quantification of VGAT intensity normalized to Tuj1 intensity. Total number of random fields of neuronal cultures analyzed in 3 separate experiments is

listed above the bars. (I) Representative western blot images showing expression of VGAT. (J) Ratio of VGAT/GAPDH normalized to the value of WT VGAT/GAPDH. Data are mean \pm SEM. Statistical significance analyzed by ANOVA with post-hoc Dunnett's test, or by Kruskal Wallis test followed by Dunn's test for western blot quantification). Number of independent experiments listed above bars.

Figure 5-figure supplement 1. APP^{Swe}/WT and M146V/WT AD cultures contain decreased number of inhibitory neurons compared to WT/WT cultures.

(A) Representative images of GABA immunostaining in WT/WT, M146V/WT, and APP^{Swe}/WT neurons cultured for 5 weeks. (B) Quantification of percentage of GABA-positive inhibitory neurons. (C) Representative images of PV immunostaining in WT/WT, M146V/WT, and APP^{Swe}/WT neurons. (D) Quantification of percentage of PV-positive neurons. Data are mean \pm SEM. Statistical significance analyzed by ANOVA with post hoc Dunnett's test. Total number of random fields of neuronal cultures analyzed in 3-4 separate experiments is listed above the bars.

Figure 5-figure supplement 2. Δ E9/WT neurons show decreased inhibitory synaptic activity compared to isogenic control neurons. (A) Representative spontaneous

inhibitory postsynaptic currents (sIPSCs) recorded at 0 mV from WT/WT and Δ E9/WT hiPSC-derived cerebrocortical neurons in culture for 5 weeks. (B,C) Quantification of sIPSC parameters. Quantification of mean amplitude and quantification of mean frequency. (D) Representative miniature inhibitory postsynaptic currents (mIPSCs) recorded from WT/WT and Δ E9/WT hiPSC-derived cerebrocortical neurons at 5 weeks in culture. (E,F) Cumulative probability of mIPSC amplitude (inset: quantification of mean

amplitude) and mIPSC inter-event interval (inset: quantification of mean frequency. **(G)** Representative images of VGAT immunostaining. **(H)** Quantification of VGAT intensity normalized to Tuj1 intensity. Total number of random fields of neuronal cultures analyzed in 3 separate experiments is listed above the bars. **(I)** Representative western blot images showing expression of VGAT. **(J)** Ratio of VGAT/GAPDH normalized to the value of WT VGAT/GAPDH. Data are mean \pm SEM. Statistical significance analyzed by Student's t test or, for immunoblot analysis, Mann Whitney U test. Number of independent experiments listed above bars.

Figure 6. γ -Secretase inhibitor or BACE1 inhibitor prevent the hyperexcitability of

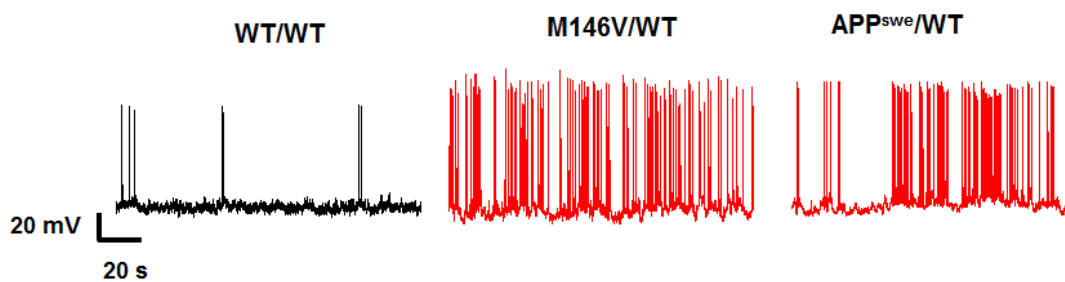
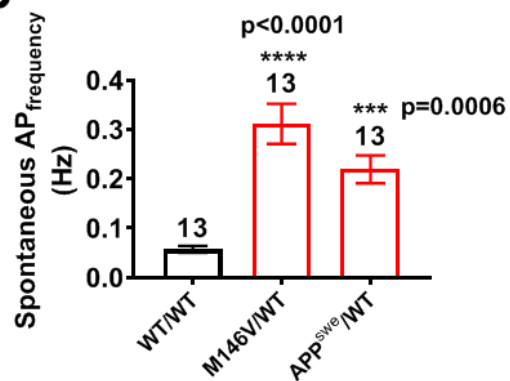
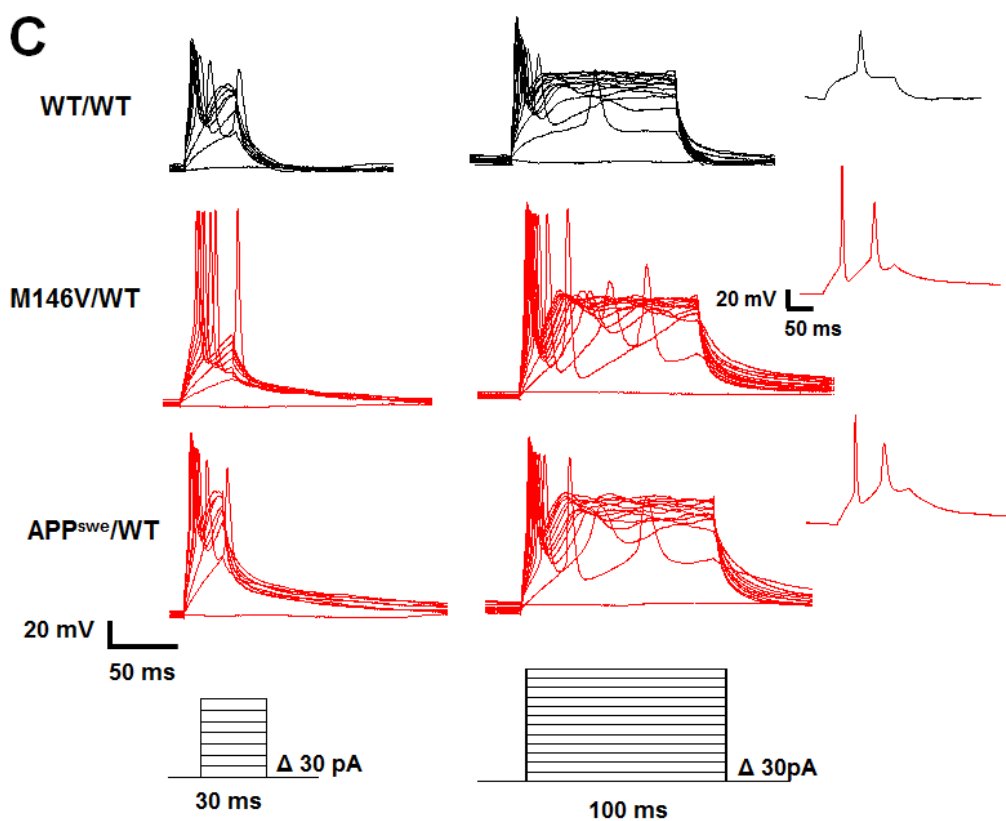
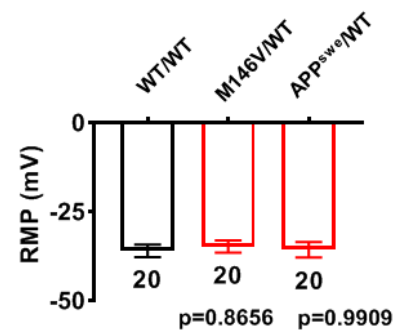
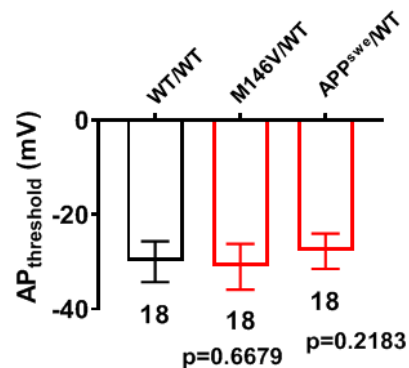
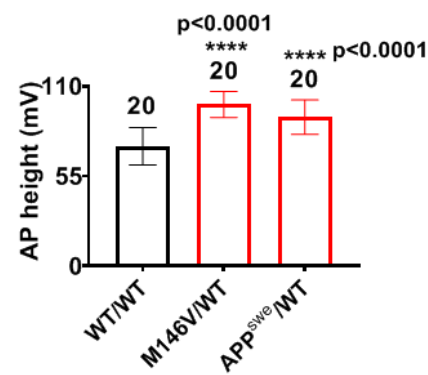
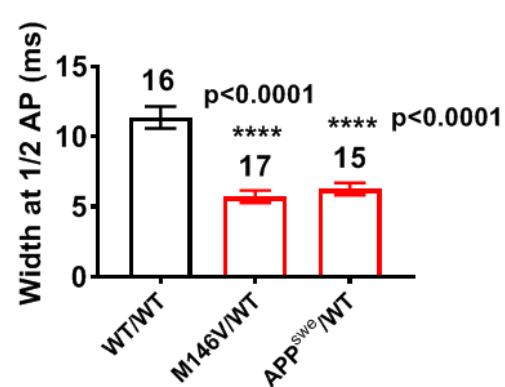
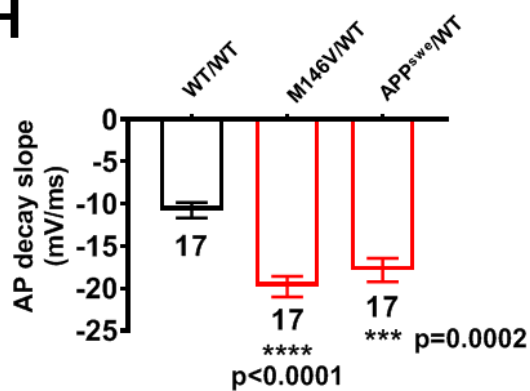
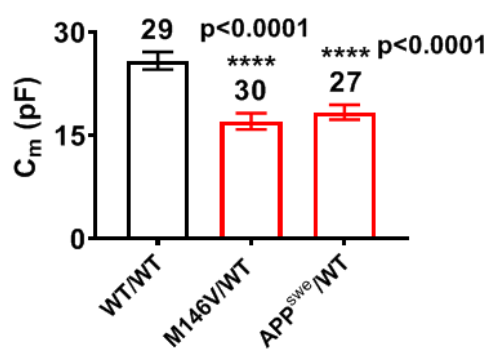
AD neurons. **(A)** Spontaneous action potentials (sAP) at resting membrane potential (RMP) in the presence of γ -secretase inhibitor (GSI) for 2 days or BACE1 inhibitor (BACEi) for 4 days. WT/WT (*left*, in black) hiPSC-derived cerebrocortical neuron data in black, M146V/WT (center, in red), and APP^{swe}/WT (right, in red). **(B)** Quantification of sAP frequency. **(C)** Representative sodium and potassium currents recorded from neurons clamped at -70 mV. **(D)** Current densities. **(E)** Representative spontaneous excitatory postsynaptic currents (sEPSCs) recorded at -70 mV from WT/WT and Δ E9/WT hiPSC-derived cerebrocortical neurons in culture for 5 weeks. **(F,G)** Quantification of sEPSC parameters. Quantification of mean amplitude **(F)** and quantification of mean frequency **(G)**. Data are mean \pm SEM. Statistical significance analyzed by ANOVA with post hoc Dunnett's test for multiple comparisons and by Student's t test for comparison between two groups.

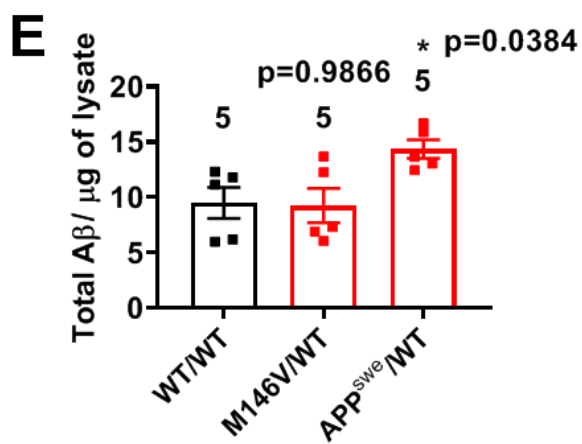
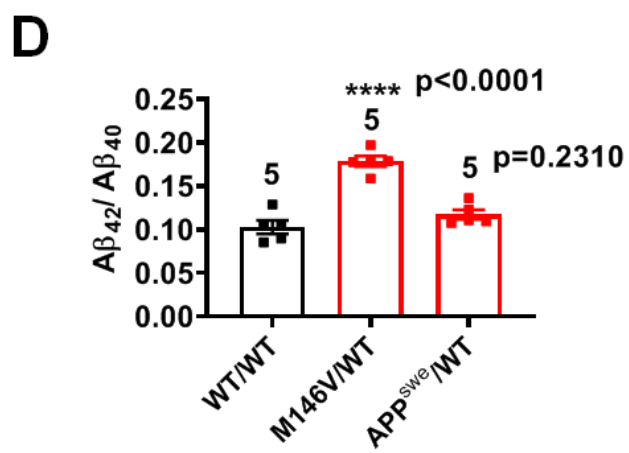
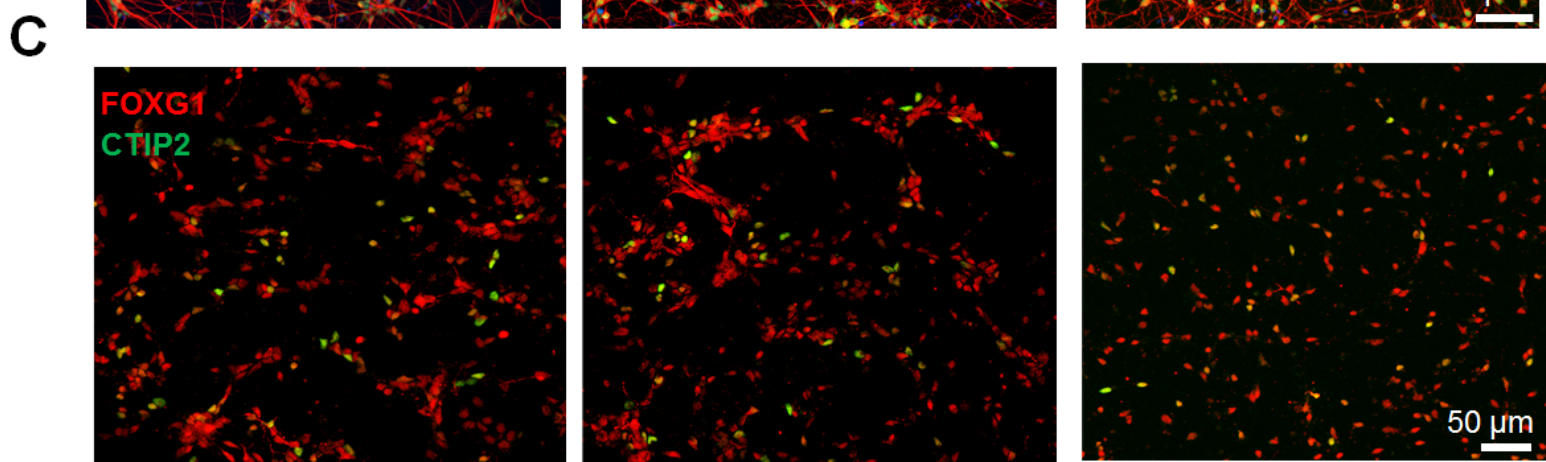
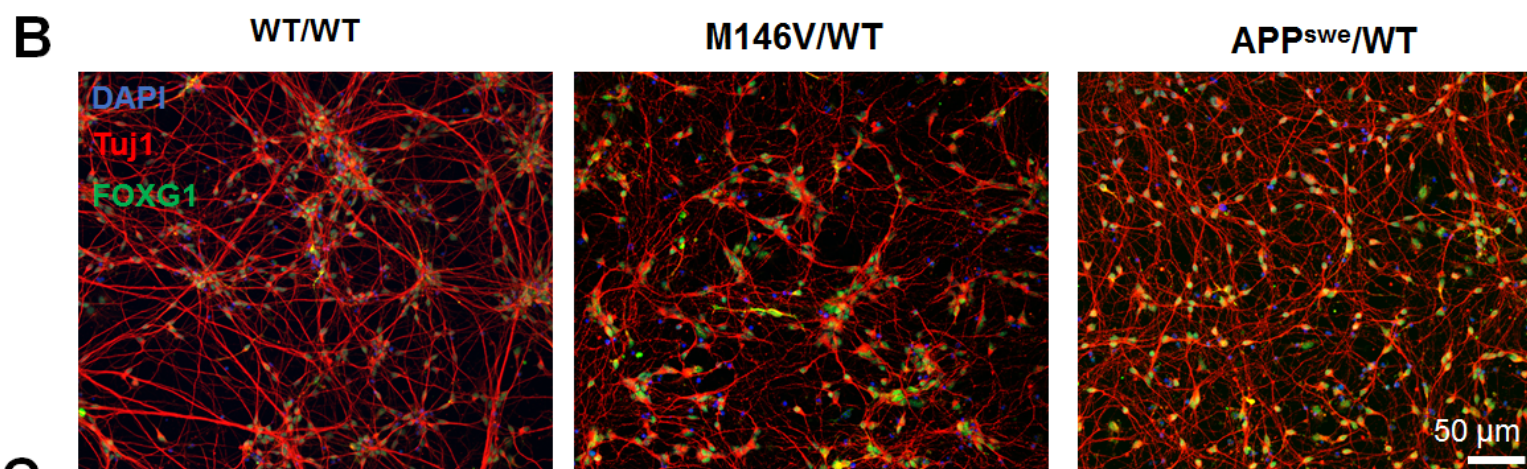
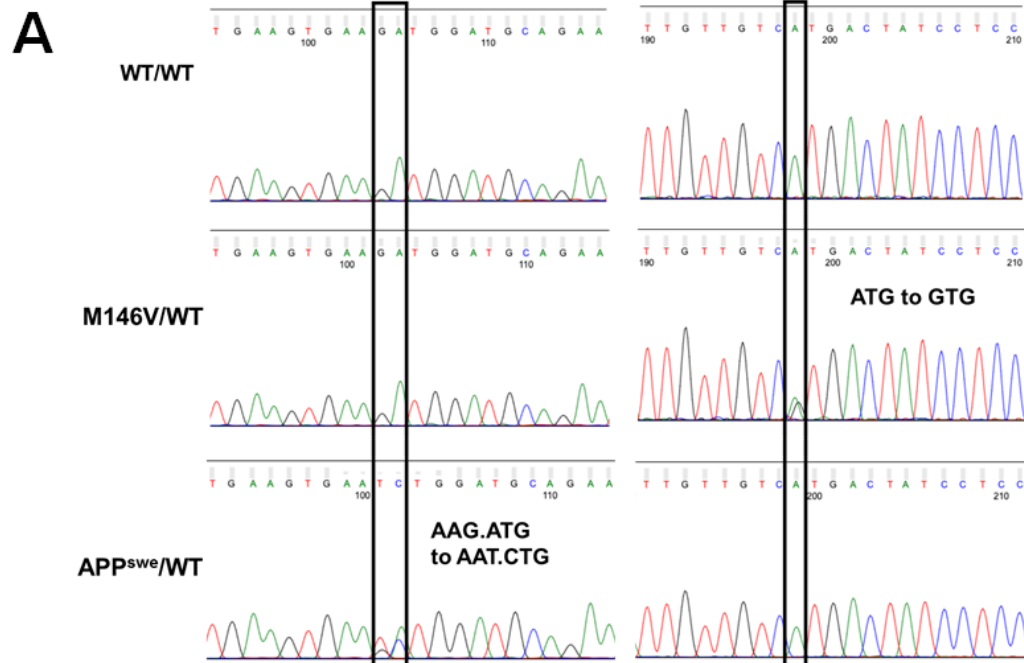
Figure 6-Source data1- Excel files containing data shown as summary bar graph in Figure 6B (WT/WT, M146V/WT, APP^{swe}/WT); 6D (WT/WT, M146V/WT, APP^{swe}/WT).

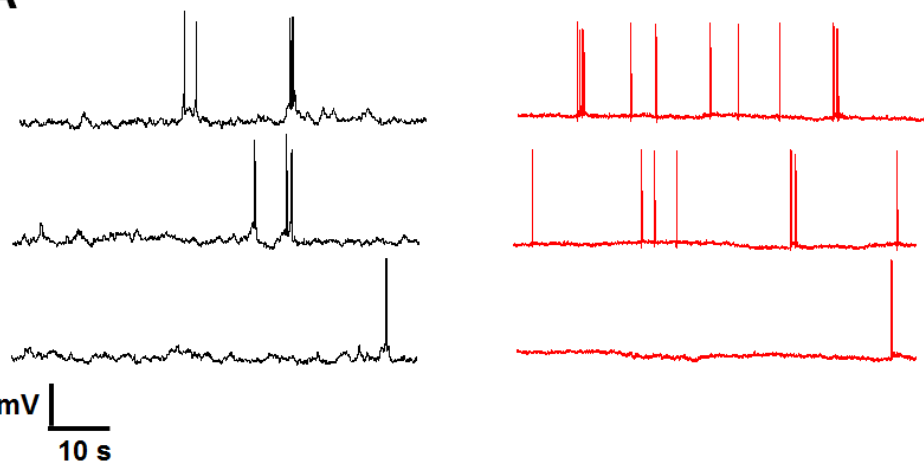
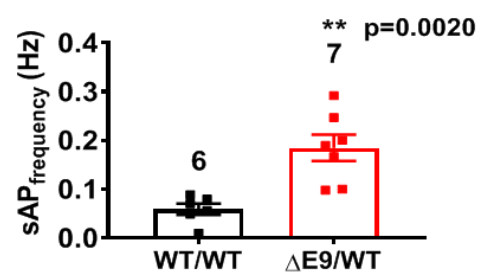
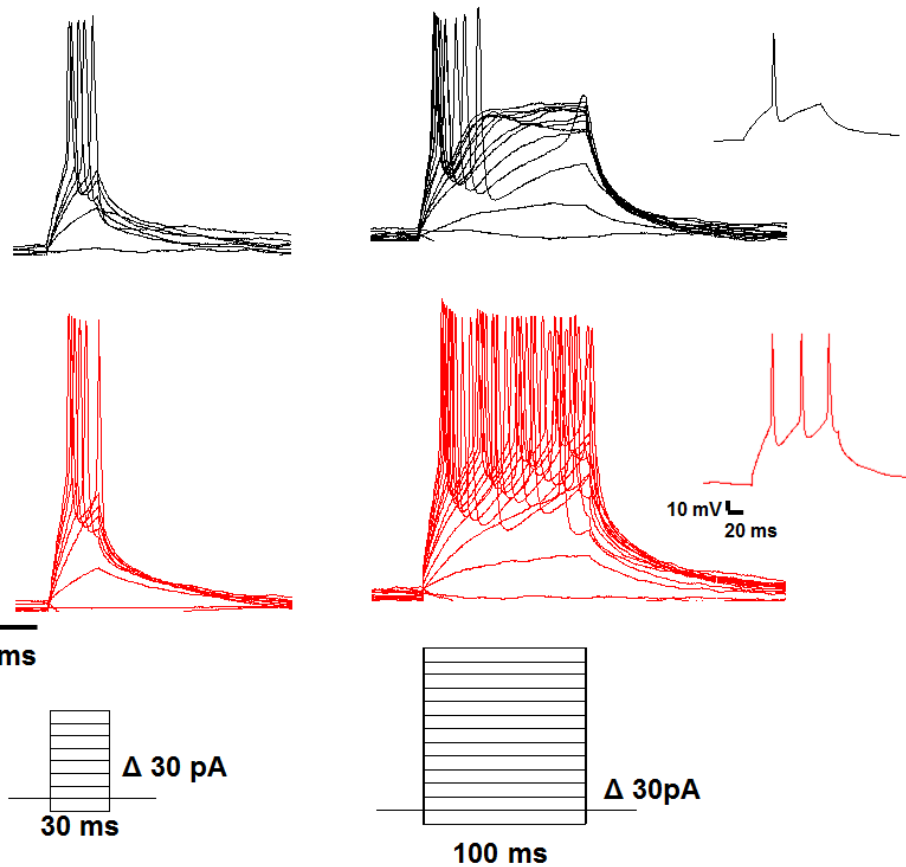
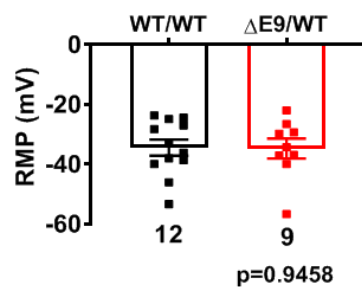
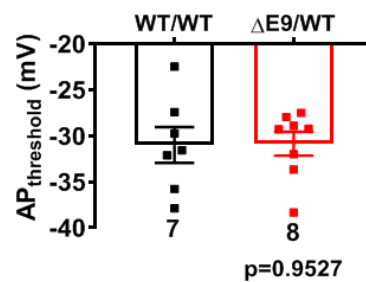
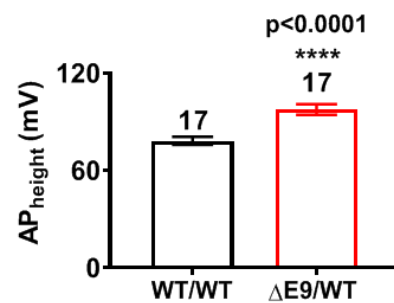
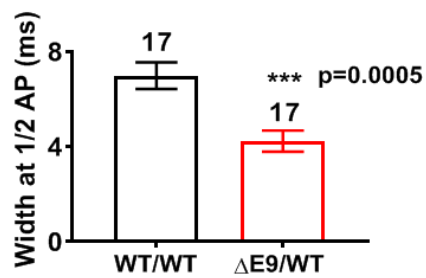
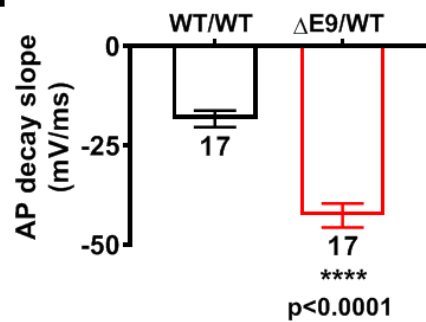
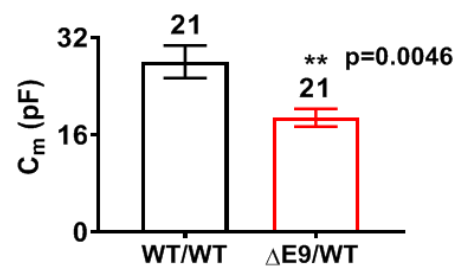
Figure 7. AD cerebral organoids show increased synchronous burst activity compared to WT. (A) Representative immunostaining images of Nestin, TBR2, and CTIP2 in 2-month-old WT/WT, M146V/WT, and APP^{Swe}/WT organoids showing cortical layer formation. (B) Representative A β immunostaining in WT/WT, M146V/WT, and APP^{Swe}/WT cerebral organoids; lower panel shows 3D projection of A β immunostaining. Note increased A β deposition in 2-month-old AD organoids. (C) Ratio of A β_{42} /A β_{40} quantified by ELISA from cultures at 2 months. (D) Quantification of A β levels normalized to total protein from lysates at 2 months. (E) Golgi staining of neurons in 200 μ m sections of organoids. (F) Quantification of total dendrite length. Total number of neurons analyzed in 3-4 separate experiments is listed above the bars. (G) Representative raster plots of MEA recordings in WT/WT, M146V/WT, and APP^{Swe}/WT cerebral organoids at 2 months. (H) Quantification of mean firing rate. Data are mean \pm SEM. Statistical significance analyzed by ANOVA with post-hoc Dunnett's test. Number of independent experiments listed above the bars.

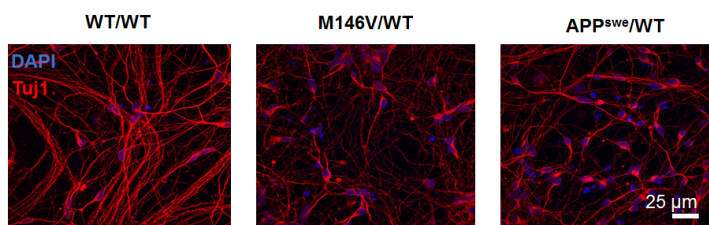
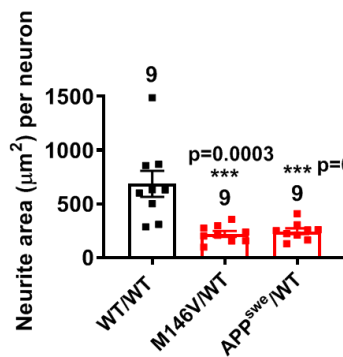
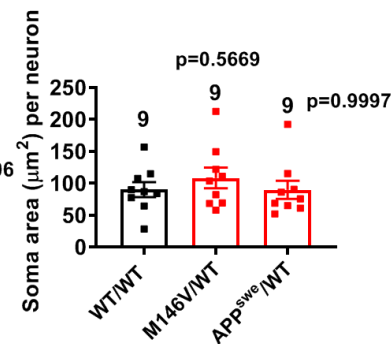
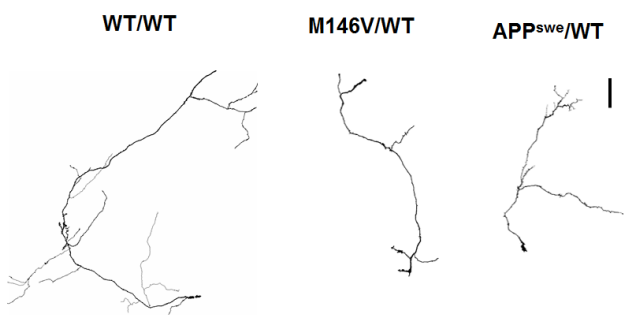
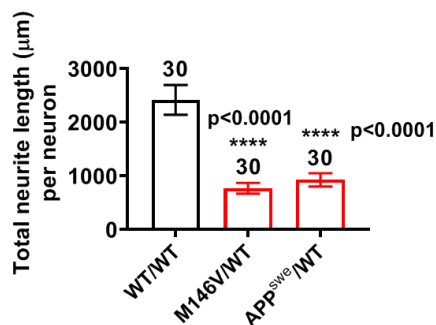
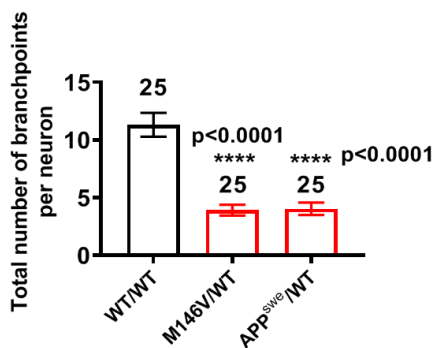
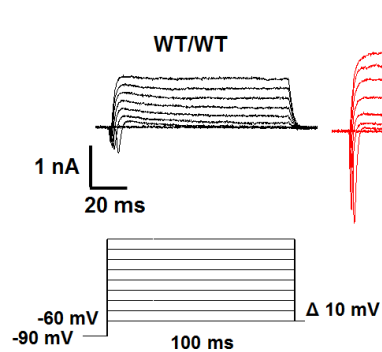
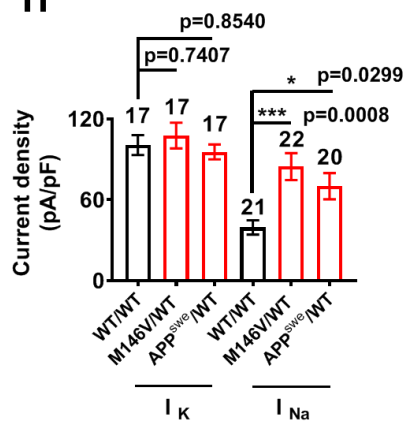
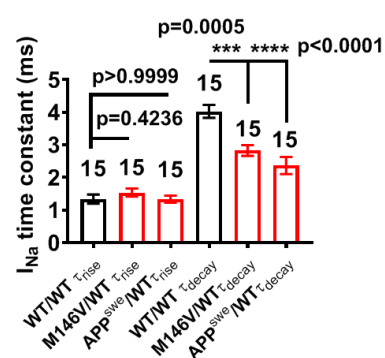
Figure 7-Source data1- Excel files containing data shown as summary bar graph in Figure 7F, H.

Figure 7-figure supplement 1. AD cerebral organoids show increased VGLUT1 levels and decreased VGAT levels compared to WT. (A) Representative VGLUT1 and VGAT staining in 2-month-old WT/WT, M146V/WT, and APP^{Swe}/WT organoids. (B) Quantification of ratio of VGLUT1 to VGAT intensity normalized to Tuj1 intensity. Data are mean \pm SEM. Statistical significance analyzed by Kruskal-Wallis test with post-hoc Dunn's test.

A**B****C****D****E****F****G****H****I**



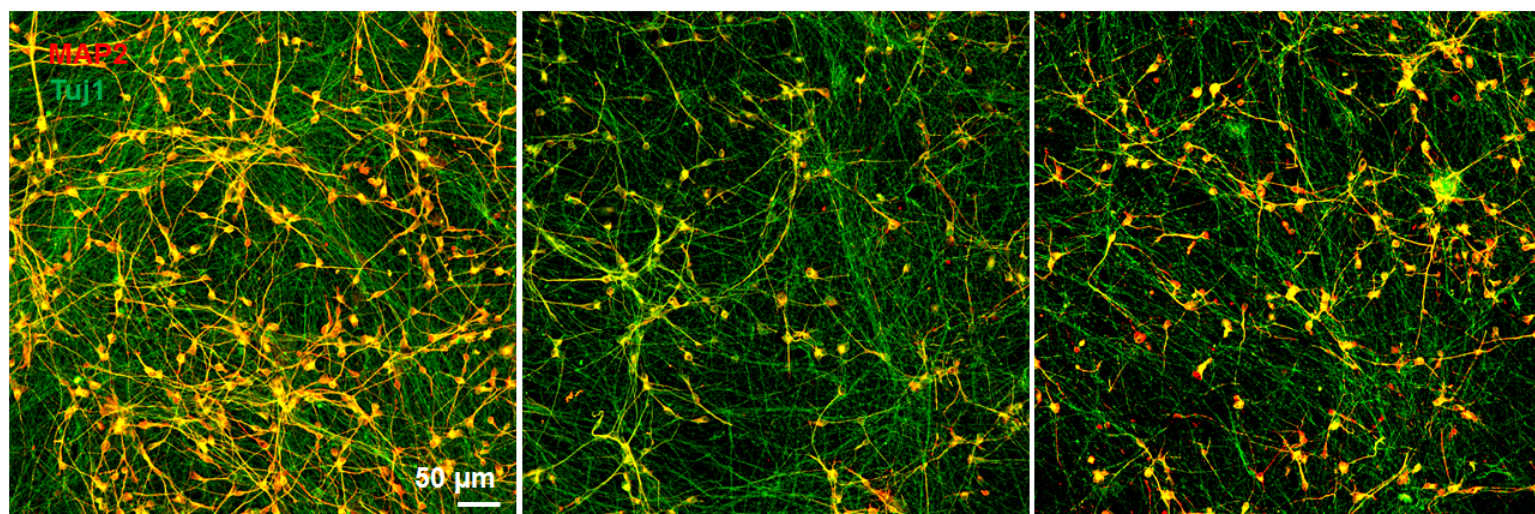
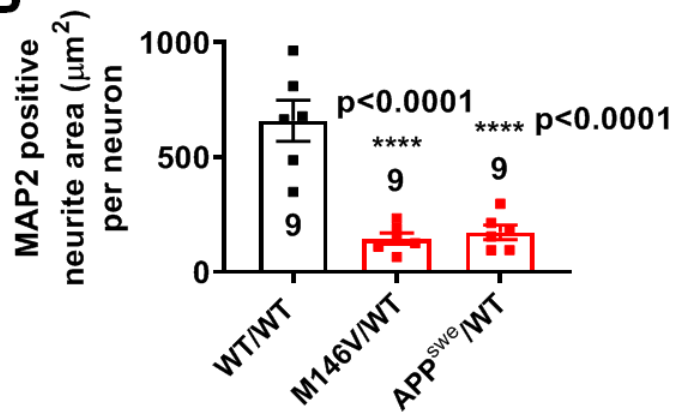
A**B****C****D****E****F****G****H****I**

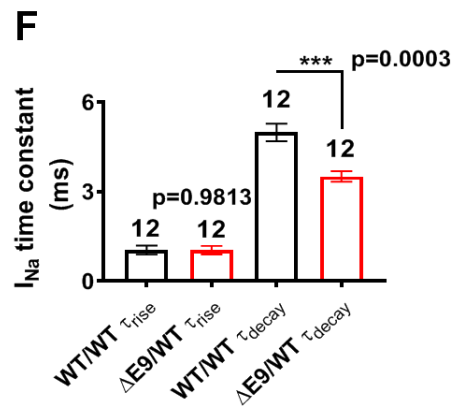
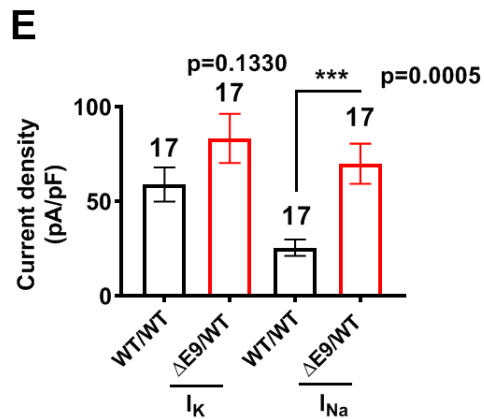
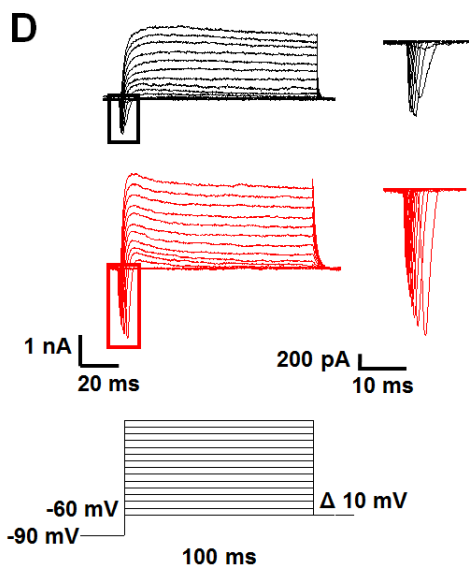
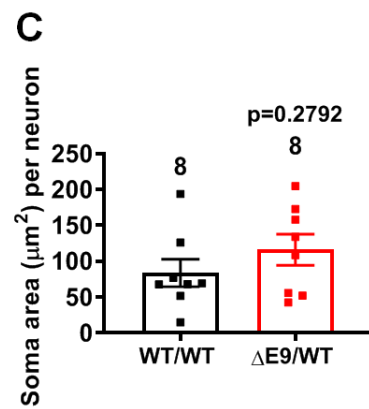
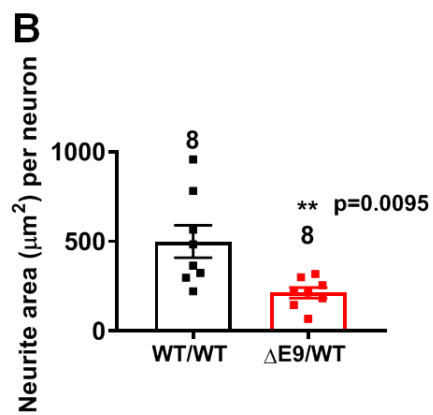
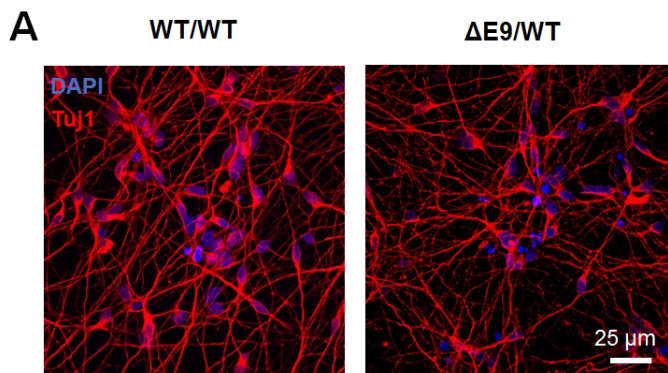
A**B****C****D****E****F****G****H****I**

A

WT/WT

M146V/WT

APP^{swe}/WT**B**



A**2 weeks****4 weeks****6 weeks****WT/WT**

20 mV

50 ms

1 nA

20 ms

B

20 mV

50 ms

M146V/WT

1 nA

20 ms

C

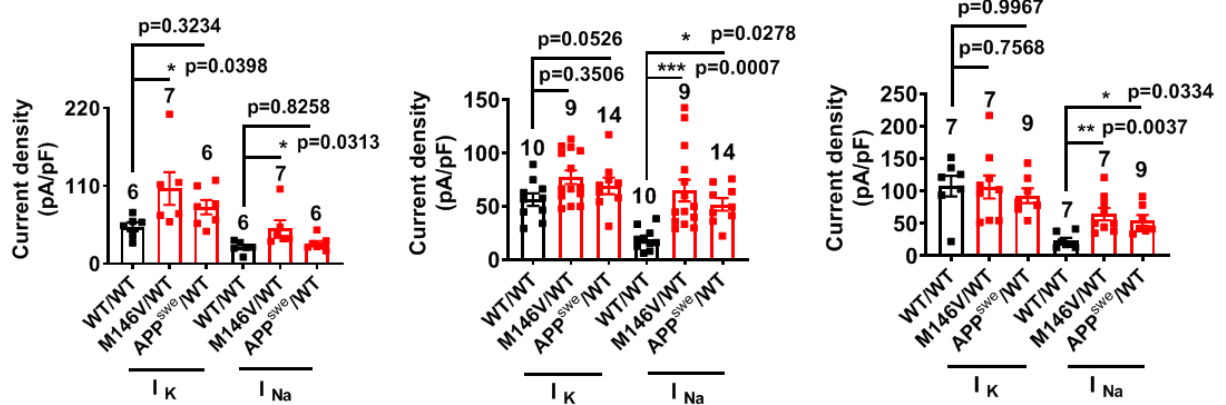
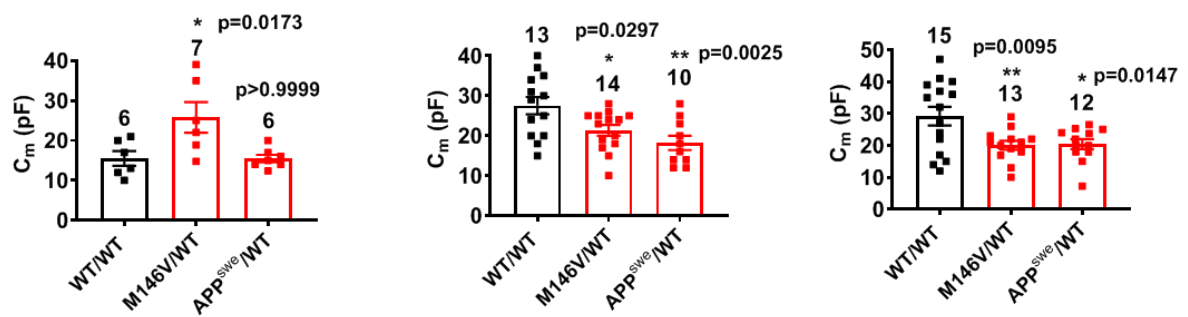
20 mV

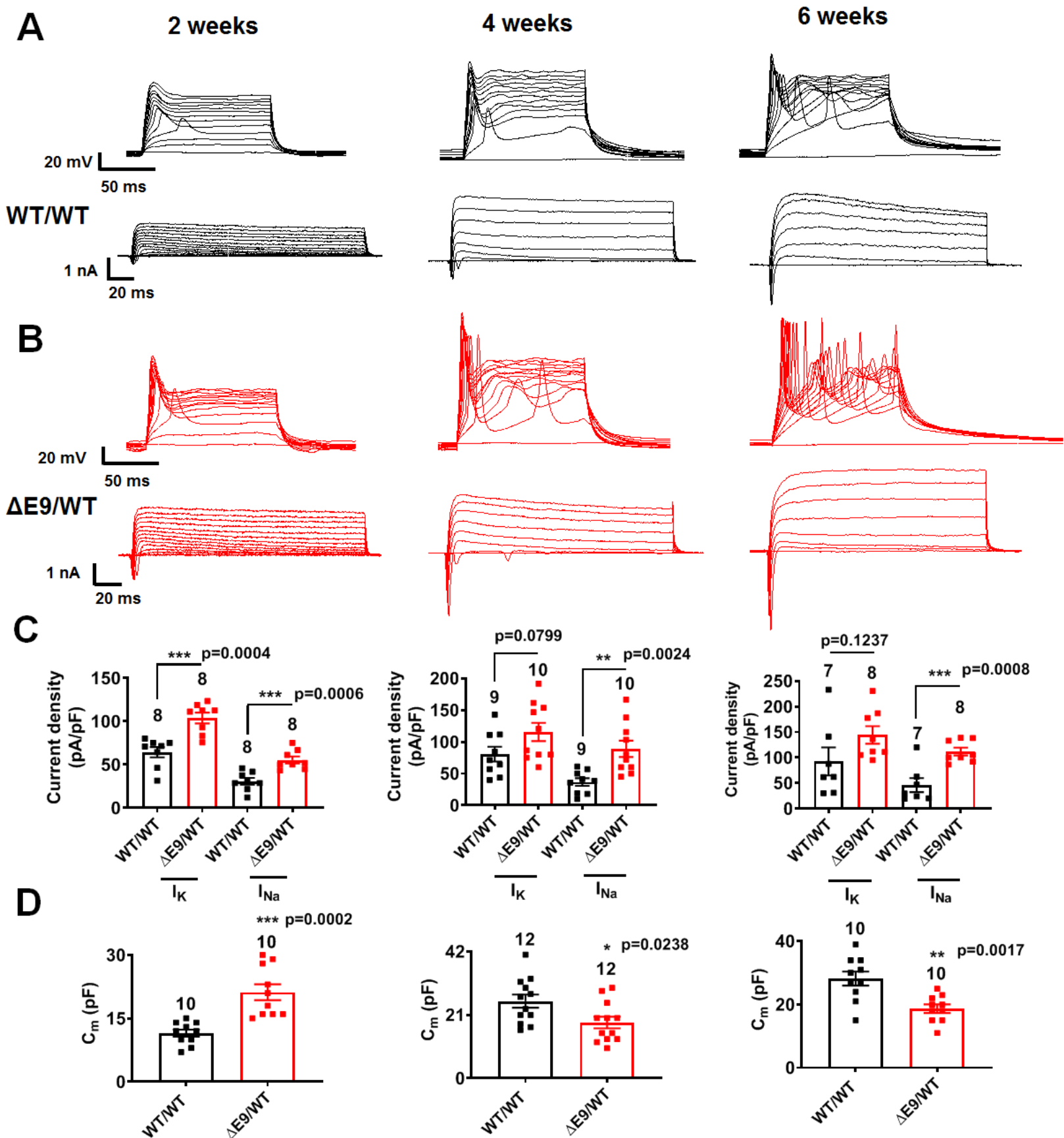
50 ms

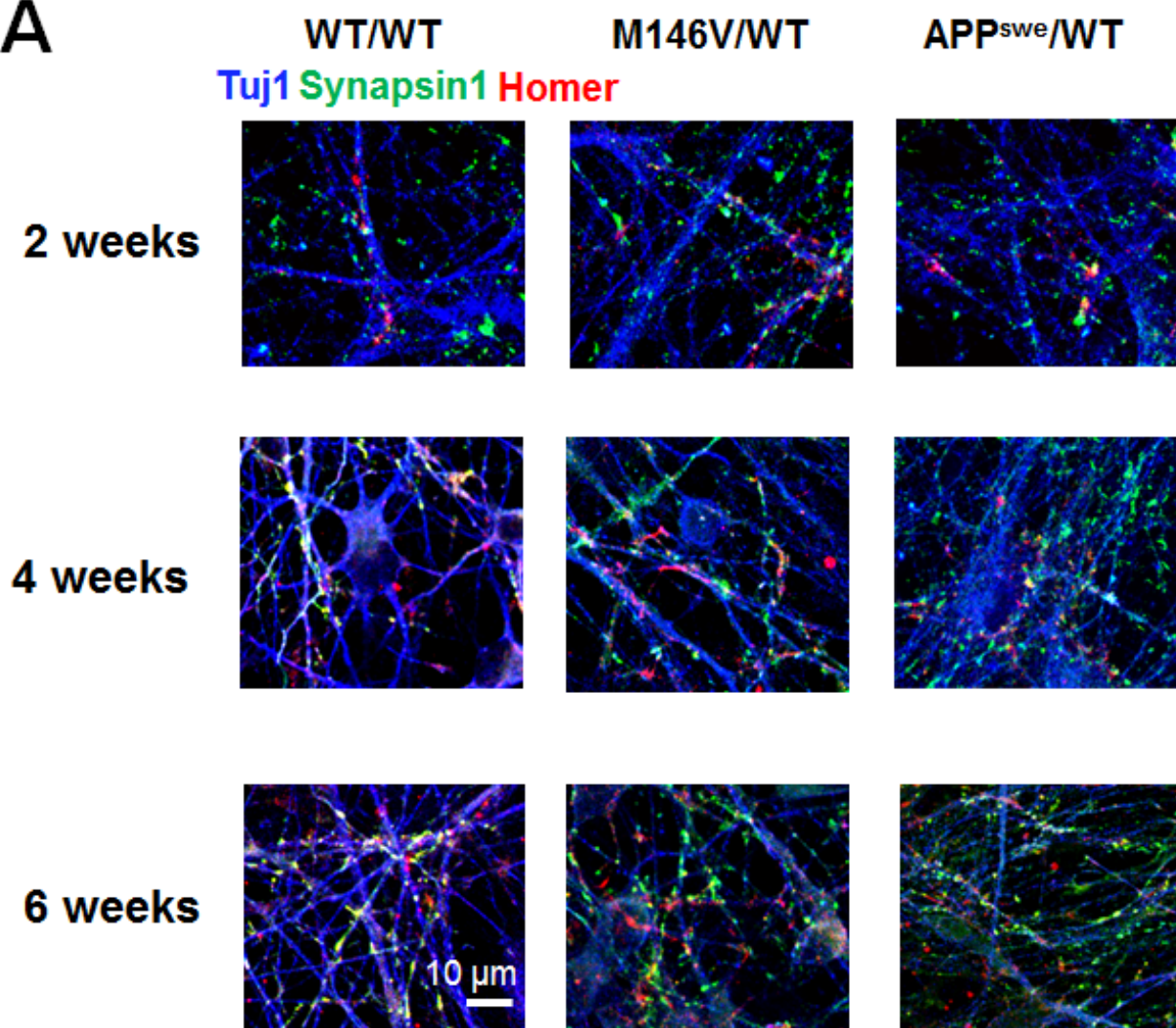
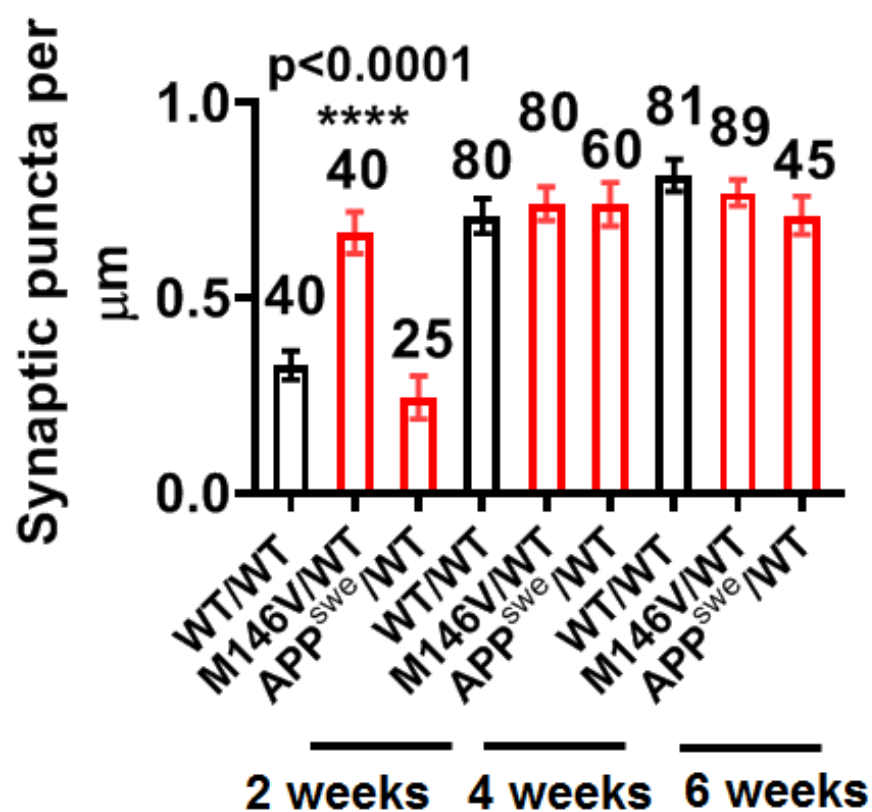
APP^{swe}/WT

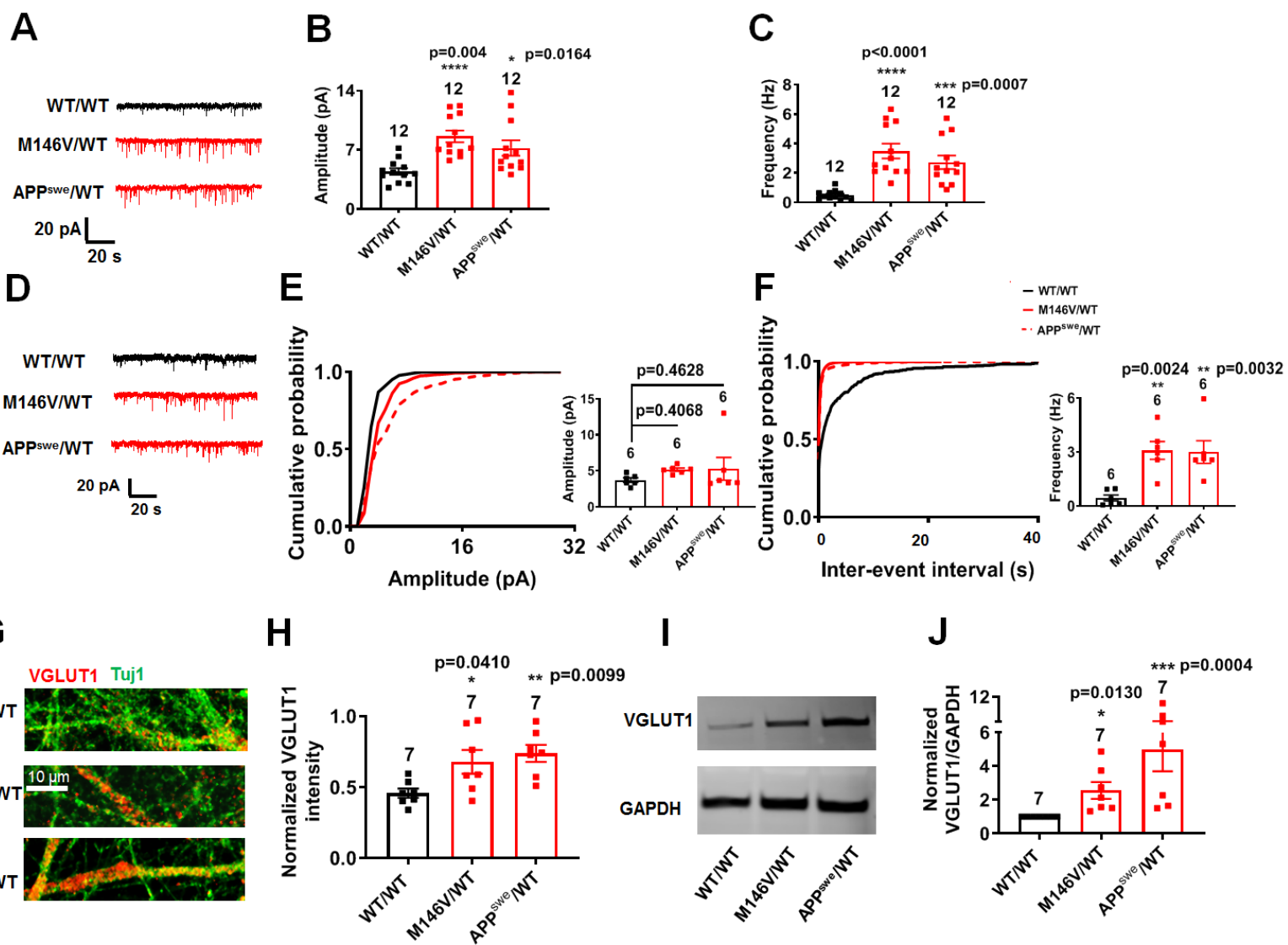
1 nA

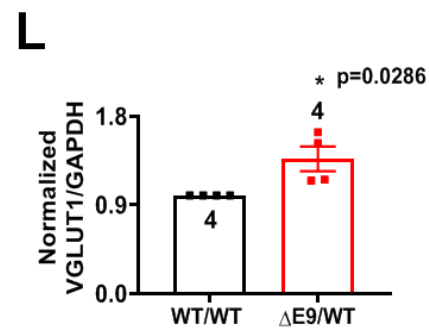
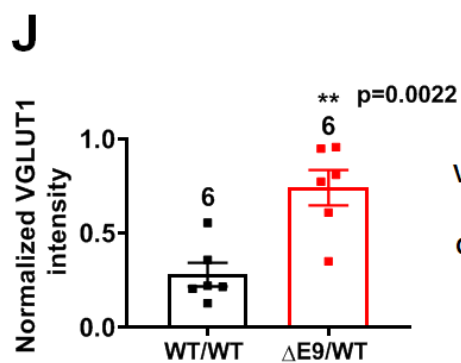
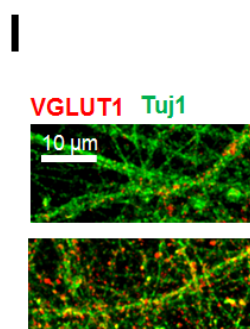
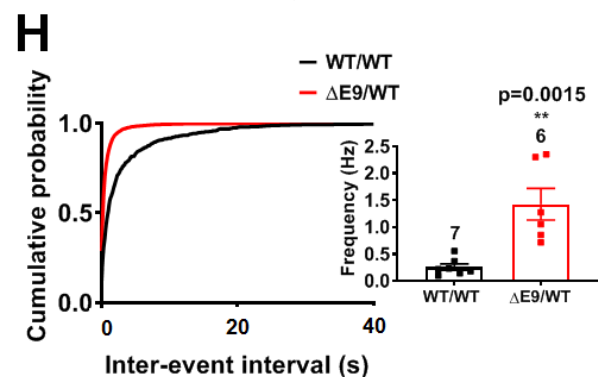
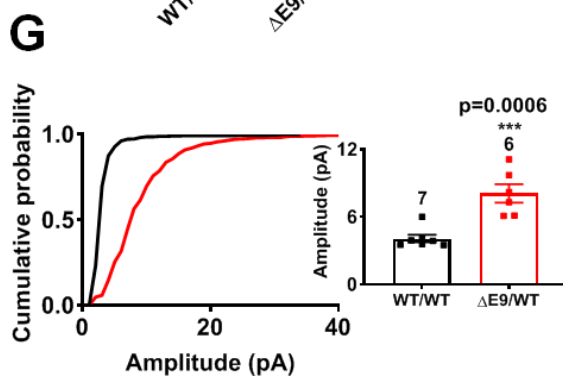
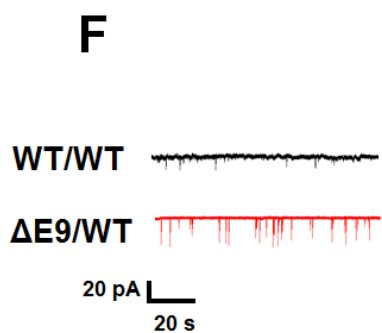
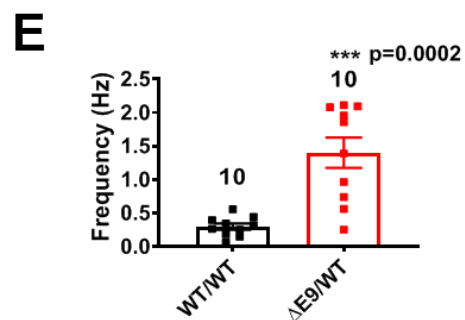
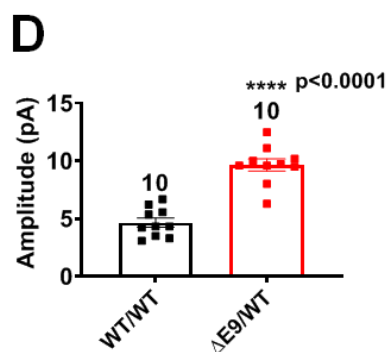
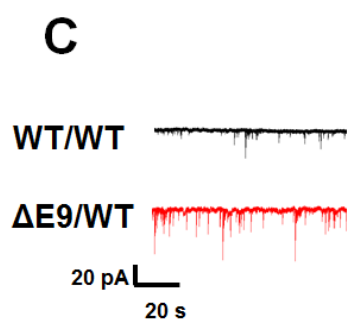
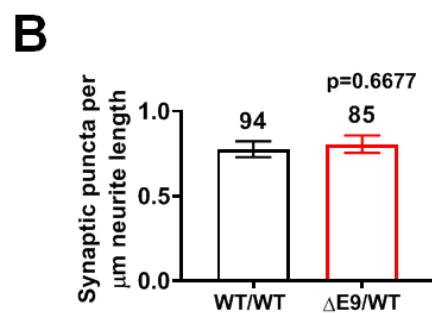
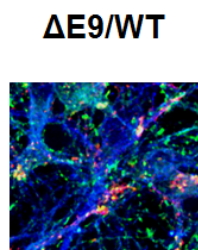
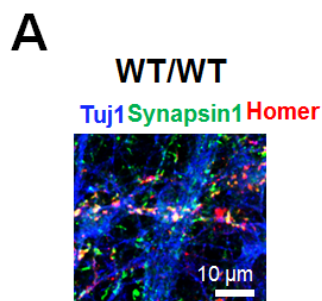
20 ms

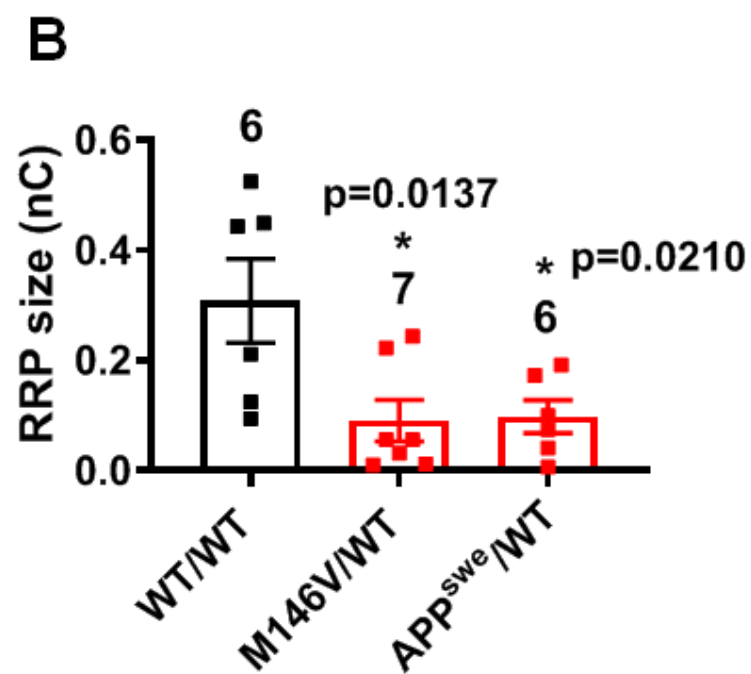
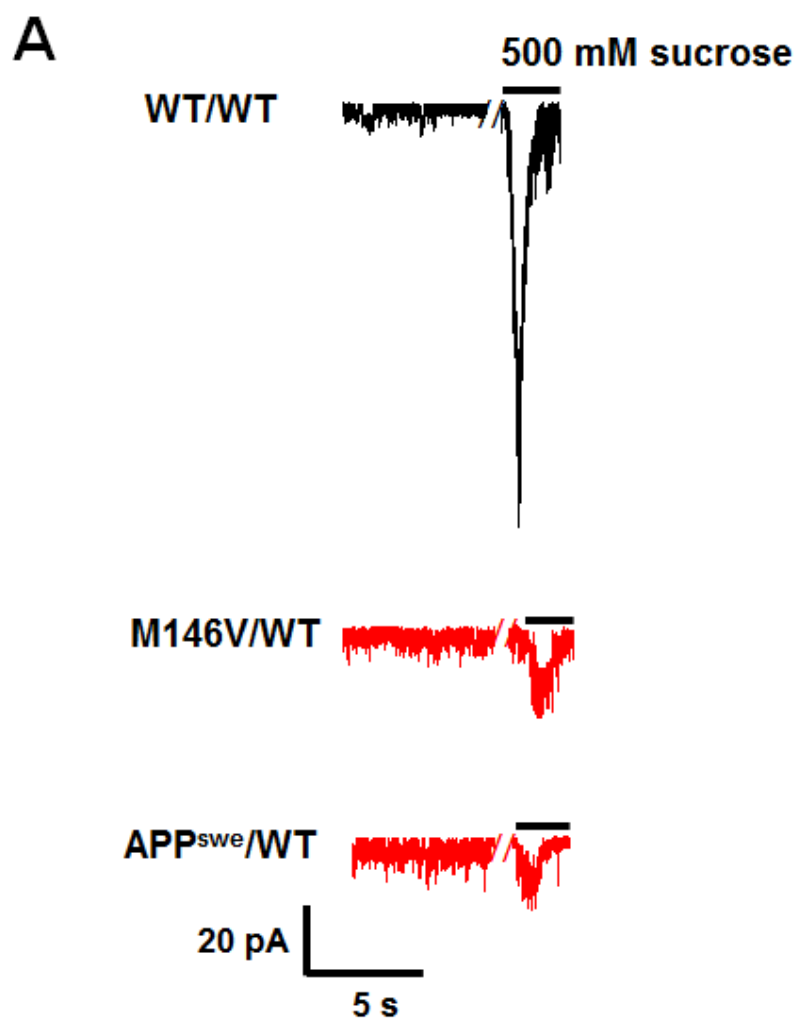
D**E**

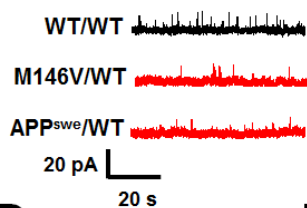
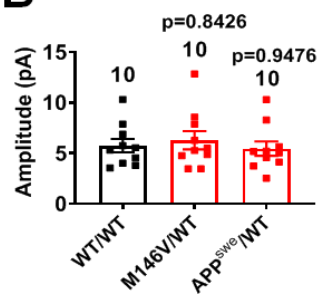
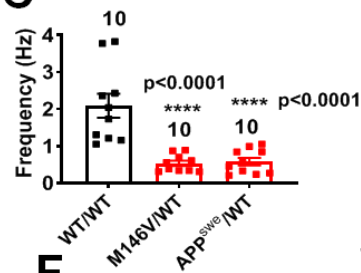
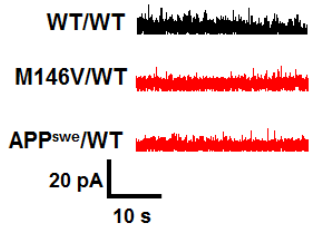
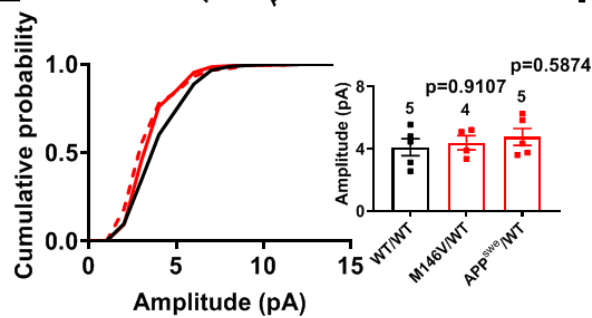
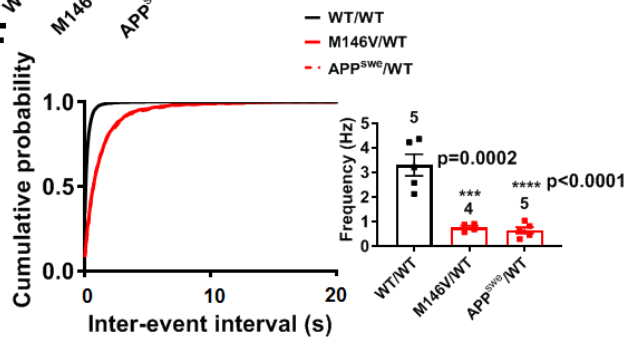
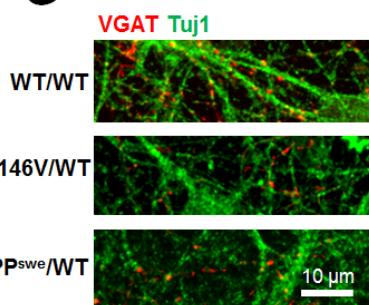
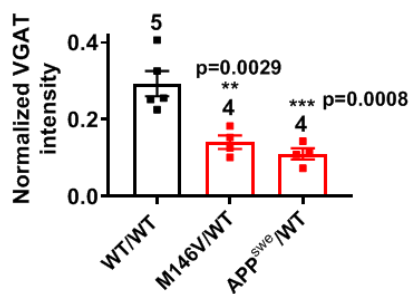
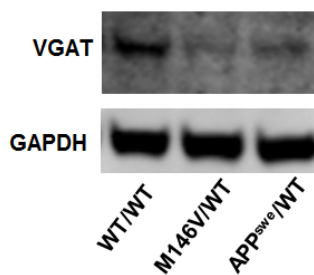
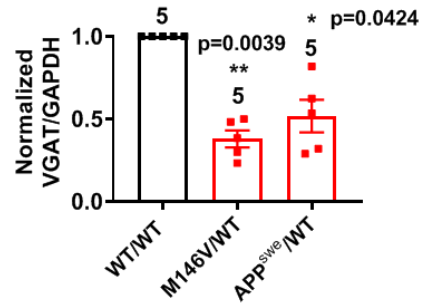


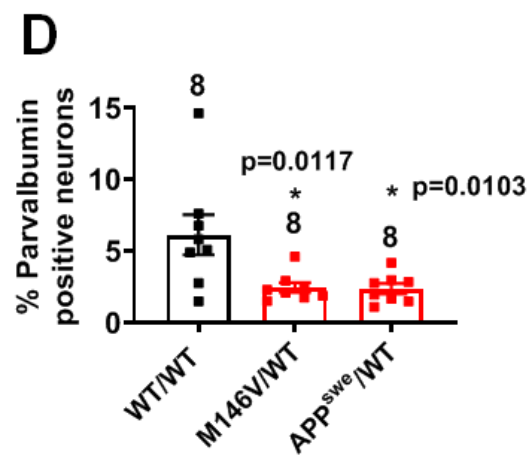
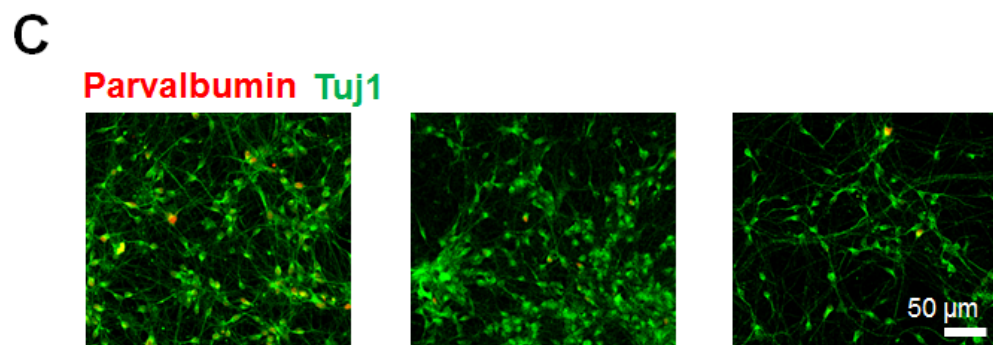
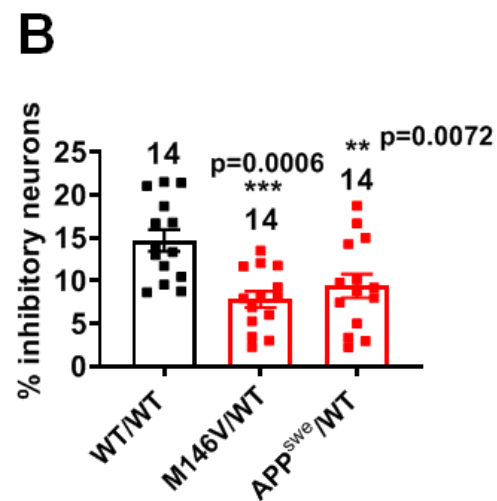
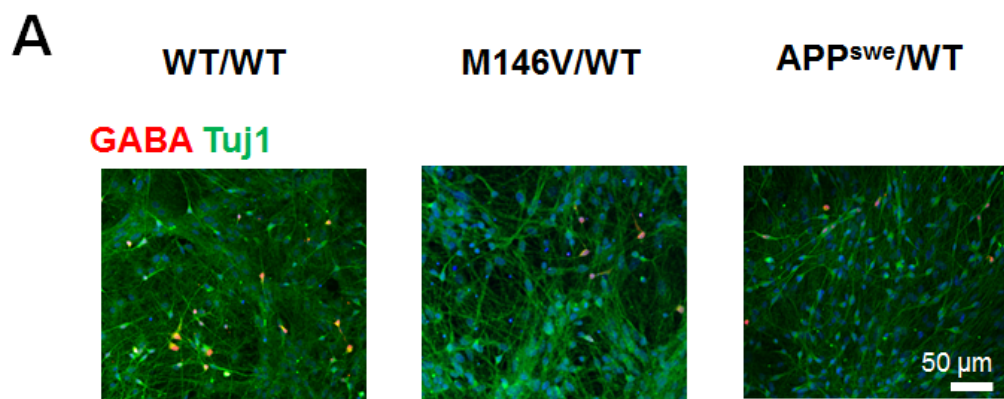
A**B**

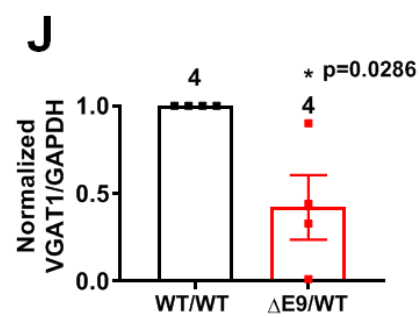
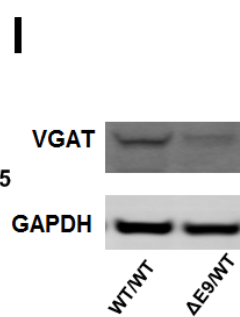
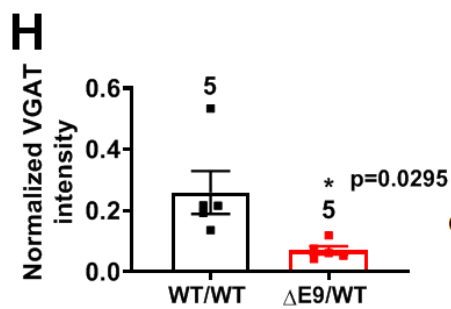
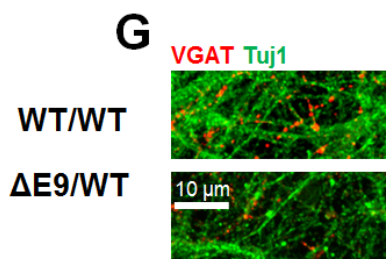
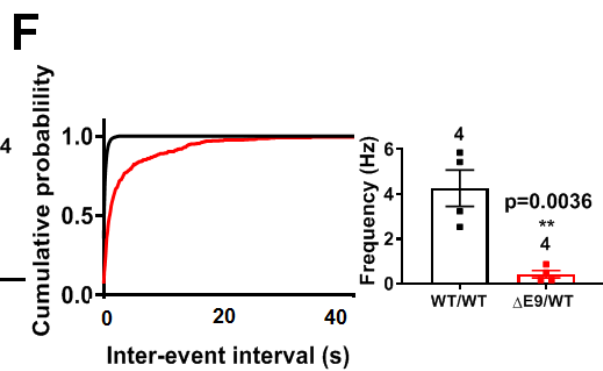
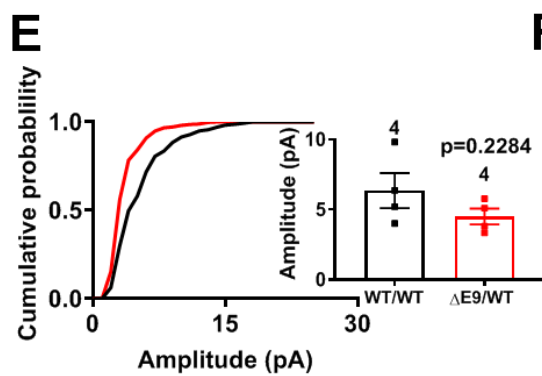
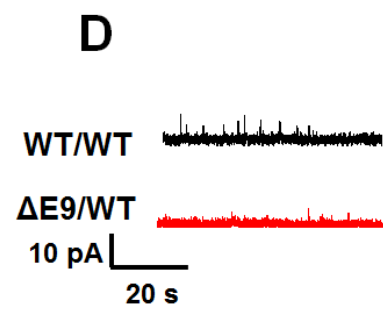
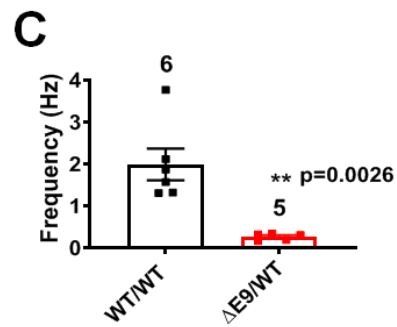
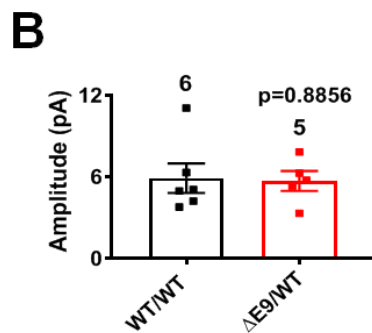
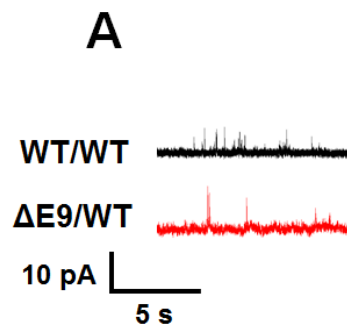


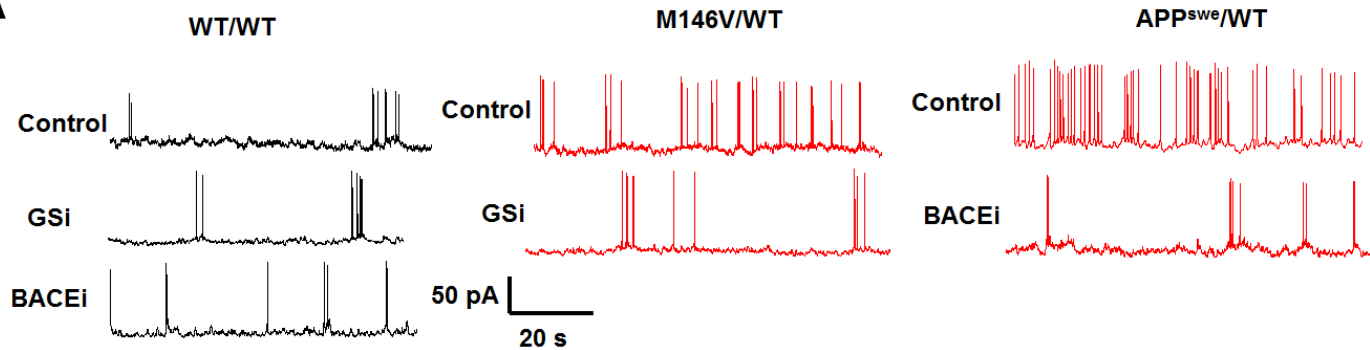
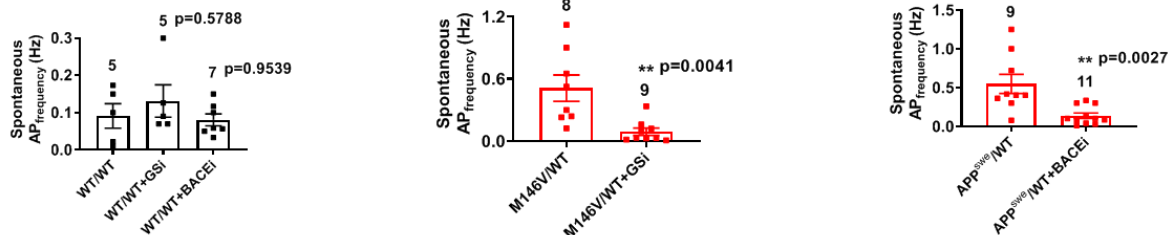
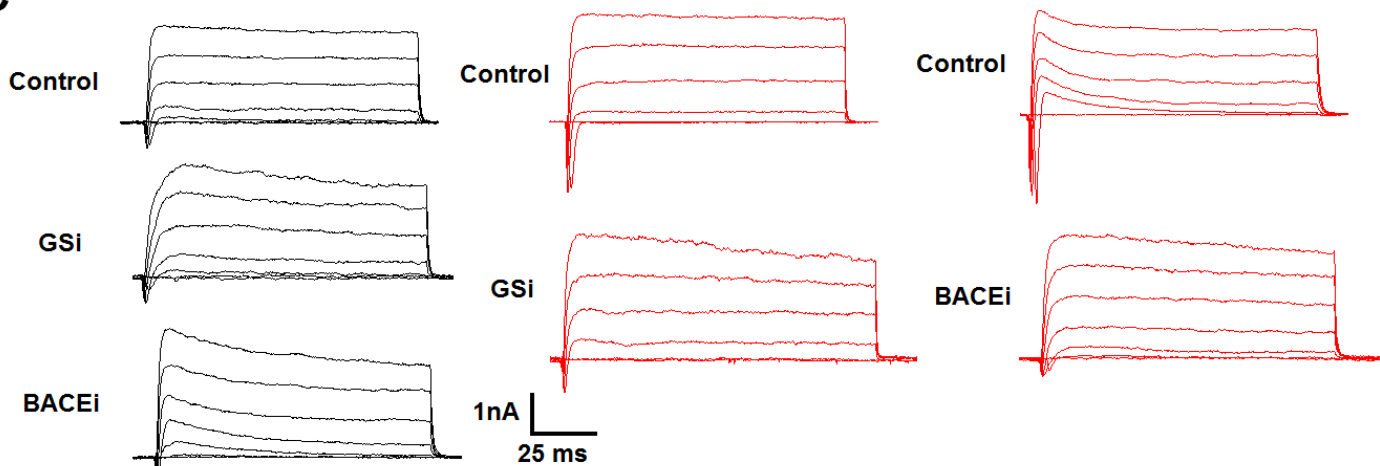
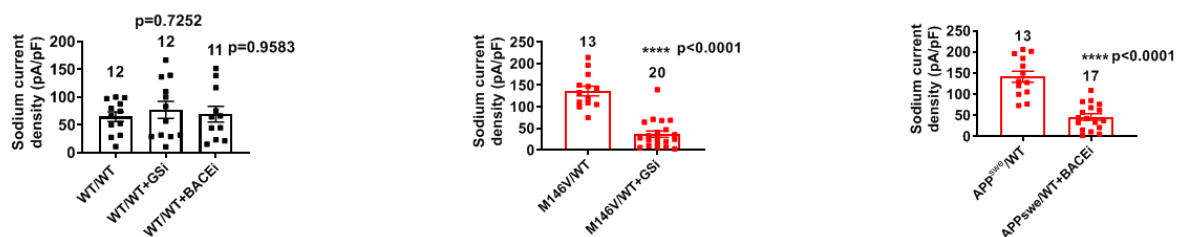
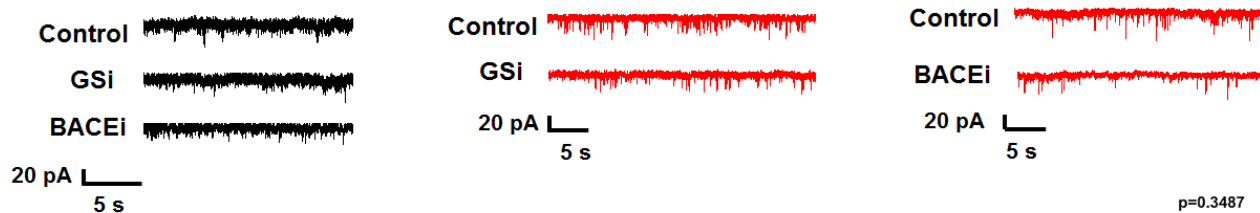
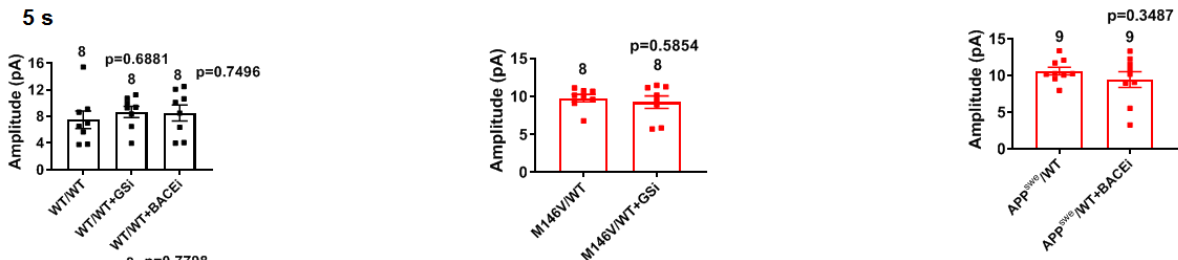
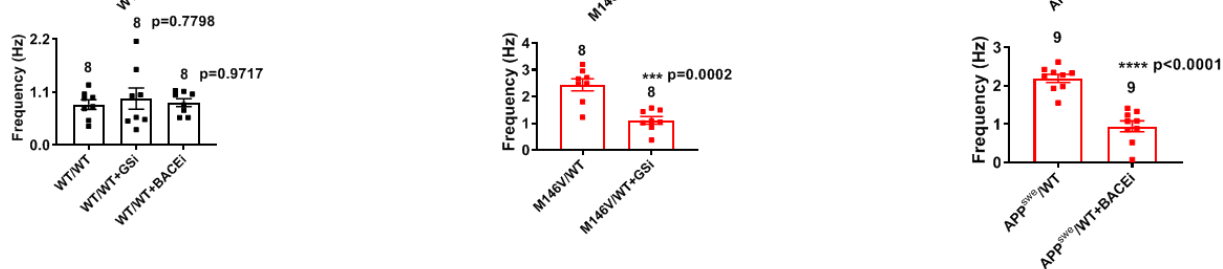


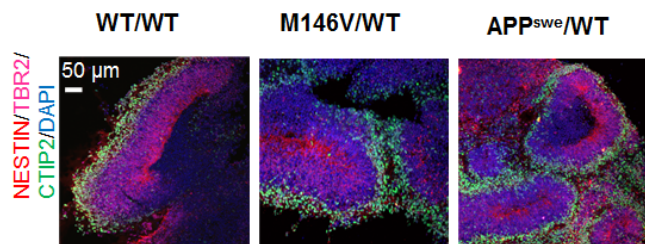
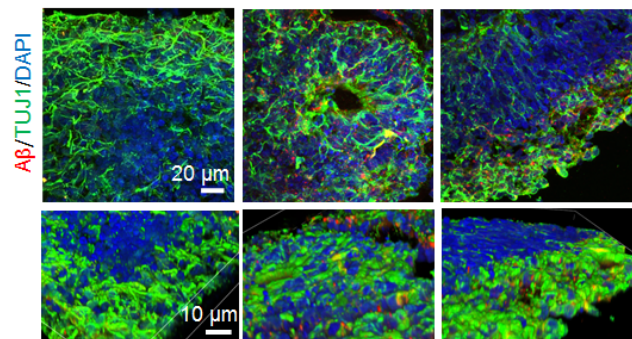
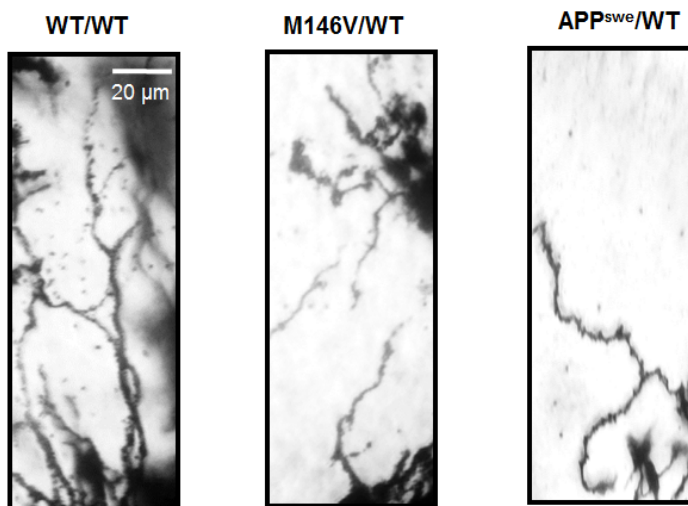
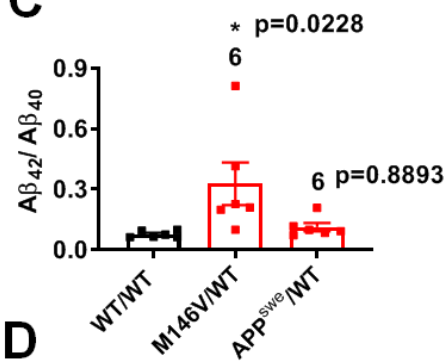
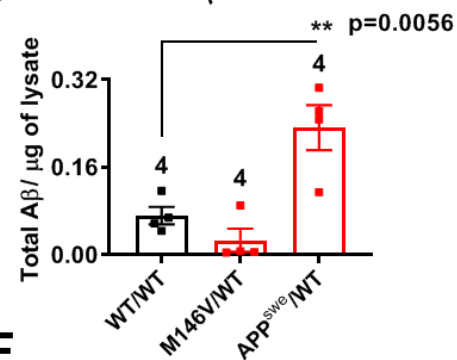
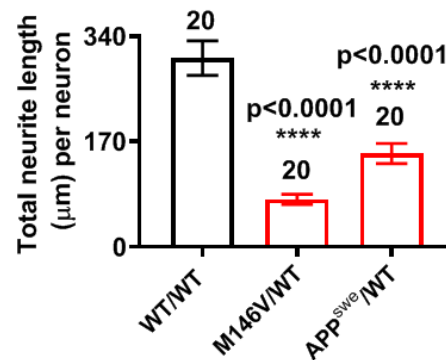
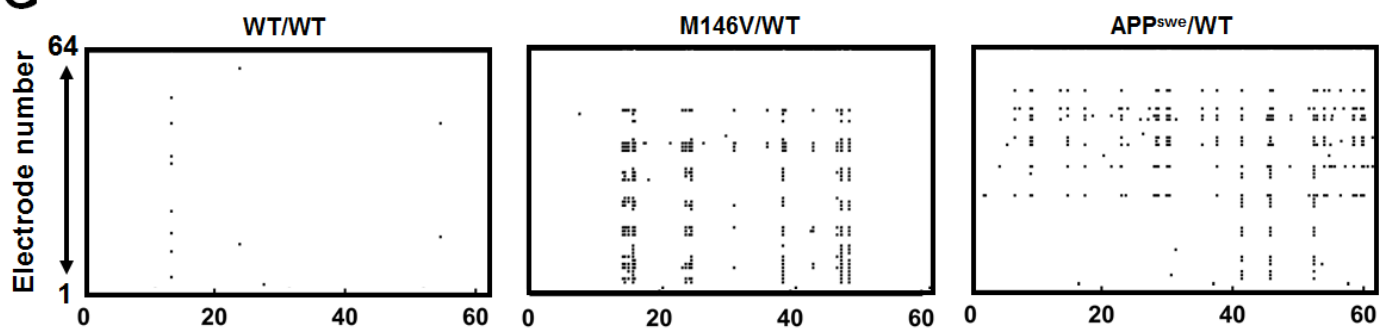
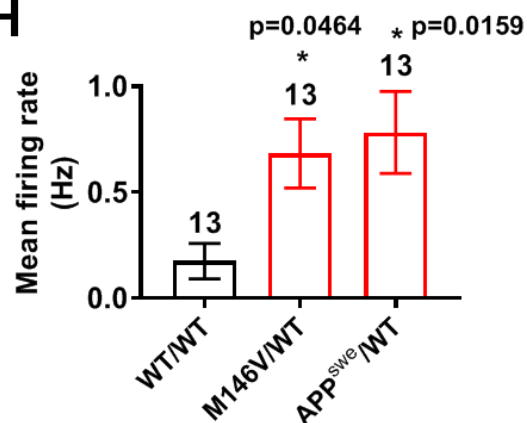


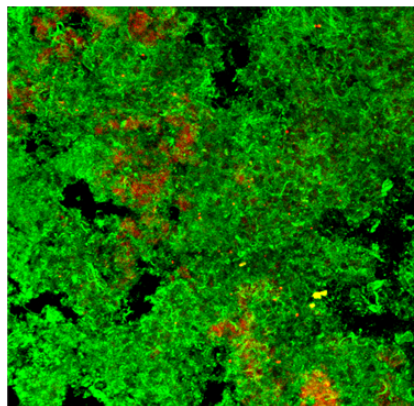
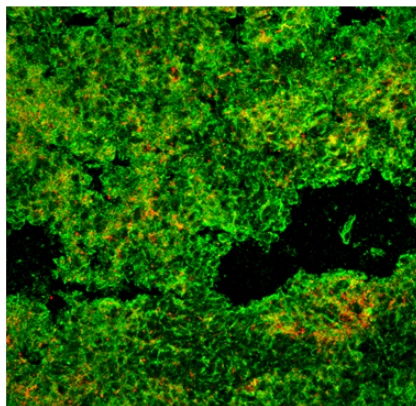
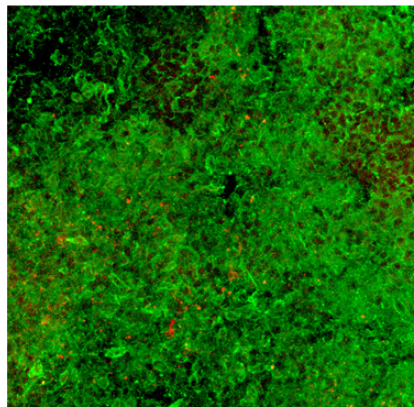
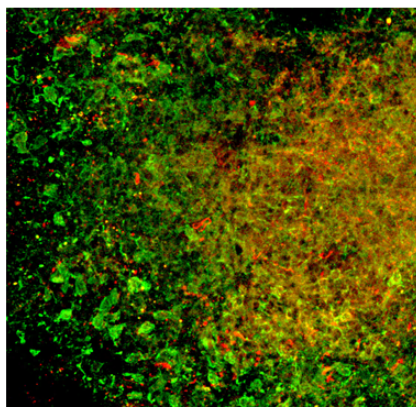
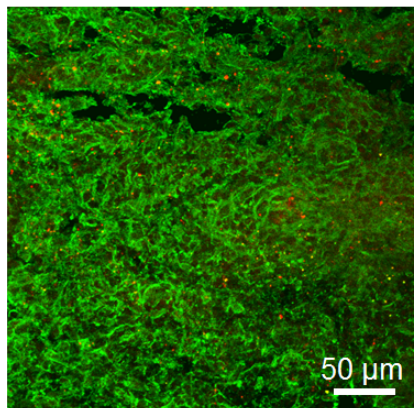
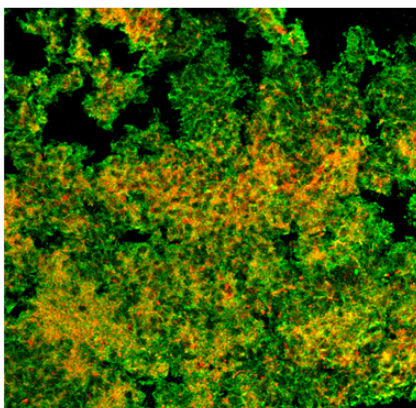
A**B****C****D****E****F****G****H****I****J**





A**B****C****D****E****F****G**

A**B****E****C****D****F****G****H**

A**VGLUT1/Tuj1****VGAT/Tuj1****WT/WT****M146V/WT****APP^{swe}/WT****B**