

1 **Robust enhancer-gene regulation identified by single-cell transcriptomes and**  
2 **epigenomes**

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4 Fangming Xie<sup>1\*</sup>, Ethan J. Armand<sup>2\*</sup>, Zizhen Yao<sup>3</sup>, Hanqing Liu<sup>4</sup>, Anna Bartlett<sup>4</sup>, M. Margarita  
5 Behrens<sup>5</sup>, Yang Eric Li<sup>6</sup>, Jacinta D. Lucero<sup>5</sup>, Chongyuan Luo<sup>7</sup>, Joseph R. Nery<sup>4</sup>, Antonio Pinto-  
6 Duarte<sup>5</sup>, Olivier Poirion<sup>6</sup>, Sebastian Preissl<sup>6</sup>, Angeline C. Rivkin<sup>4</sup>, Bosiljka Tasic<sup>3</sup>, Hongkui  
7 Zeng<sup>3</sup>, Bing Ren<sup>6</sup>, Joseph R. Ecker<sup>4,8</sup>, Eran A. Mukamel<sup>2,9</sup>

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9 \*These authors contributed equally.

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11 <sup>1</sup>Department of Physics, <sup>2</sup>Department of Cognitive Science, <sup>6</sup>Department of Cellular and  
12 Molecular Medicine, University of California San Diego, La Jolla, CA 92037, USA

13 <sup>3</sup>Allen Institute for Brain Science, Seattle, WA, 98109, USA

14 <sup>4</sup>Genomic Analysis Laboratory, <sup>5</sup>Computational Neurobiology Laboratory, <sup>8</sup>Howard Hughes  
15 Medical Institute, The Salk Institute for Biological Studies, La Jolla, CA, 92037, USA

16 <sup>7</sup>Department of Human Genetics, University of California Los Angeles, Los Angeles, CA, 90095,  
17 USA

18

19 <sup>9</sup>Correspondence: [emukamel@ucsd.edu](mailto:emukamel@ucsd.edu)

20 **Abstract**

21 **Integrating single-cell transcriptomes and epigenomes across diverse cell types can link**  
22 **genes with the *cis*-regulatory elements (CREs) that control expression. Gene co-**  
23 **expression across cell types confounds simple correlation-based analysis and results in**  
24 **high false prediction rates. We developed a procedure that controls for co-expression**  
25 **between genes and integrates multiple molecular modalities, and used it to**  
26 **identify >10,000 gene-CRE pairs that contribute to gene expression programs in different**  
27 **cell types in the mouse brain.**

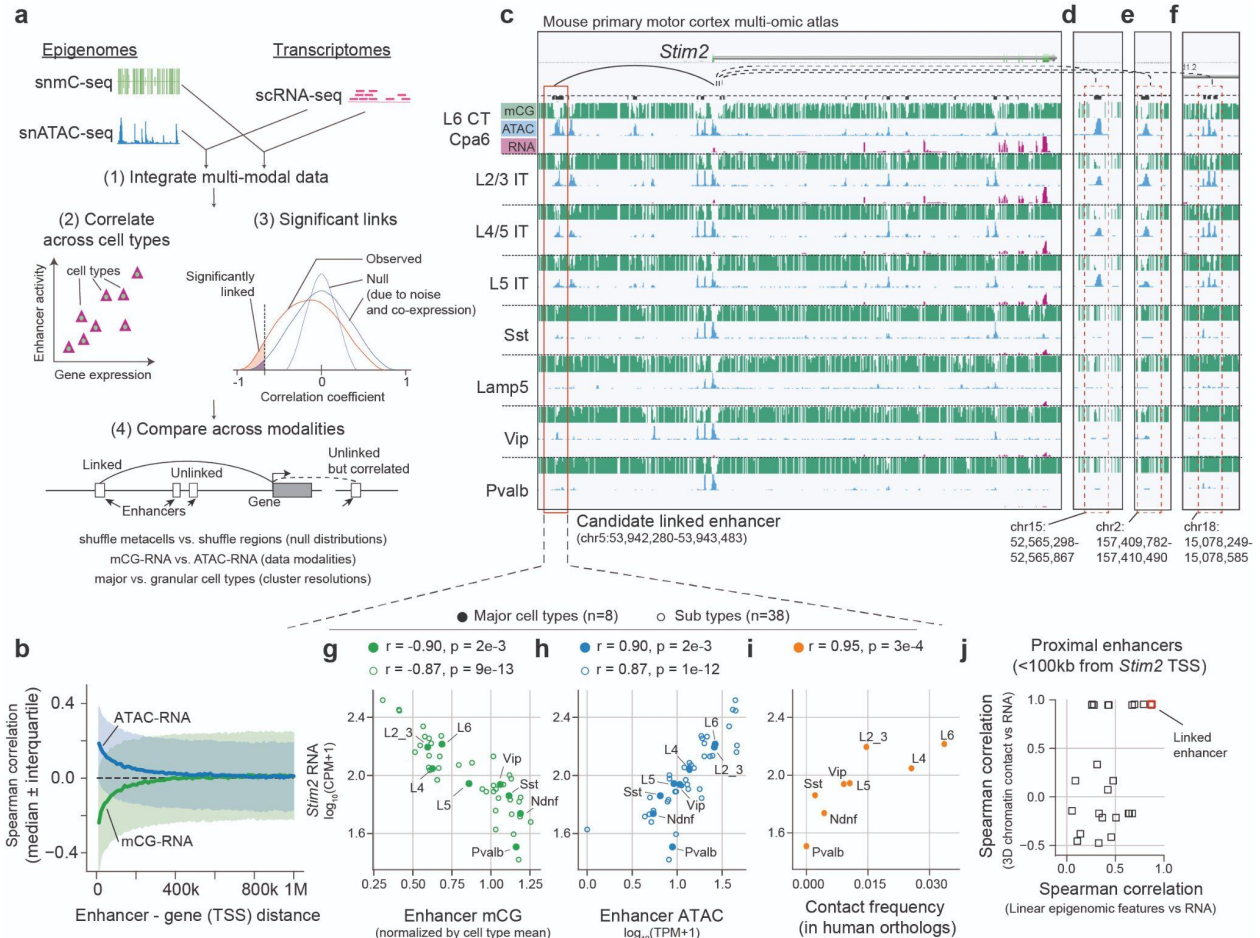
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29 **Main text**

30 Single-cell epigenome sequencing techniques, including snATAC-seq and snmC-seq, can  
31 identify cell-type-specific candidate *cis*-regulatory elements (cCREs), such as enhancers<sup>1,2</sup>. To  
32 validate putative enhancers and elucidate their function, it is important to identify the genes they  
33 directly regulate<sup>3</sup>. This can be accomplished by simultaneously perturbing enhancer activity and  
34 measuring gene expression in the same cells<sup>4,5</sup>. However, perturbation experiments are  
35 complex and to date have been used to screen pre-selected enhancers in cell types that could  
36 be cultured *in vitro*<sup>4,5</sup>. By contrast, single-cell transcriptomes and epigenomes from complex  
37 tissues, such as the brain, contain distinct genome-wide profiles from several hundred cell  
38 types<sup>6,7</sup>. Correlating enhancer epigenetic profiles with transcription across cell types can identify  
39 potential cell-type-specific enhancer-gene links<sup>1,2,8</sup>. However, genes with related functions often  
40 have correlated expression patterns, leading to incidental associations that could confound co-  
41 expression analyses with false-positives that do not reflect genuine enhancer-target gene  
42 interactions<sup>1,2,8-10</sup>.

43 To separate spurious from genuine associations, *trans* enhancer-gene correlations can  
44 be used as a negative control<sup>11–15</sup>. However, a principled analysis and validation of the most  
45 appropriate null model has not been performed. Moreover, different epigenetic assays, such as  
46 snATAC-seq and snmC-seq, measure distinct aspects of enhancer activity. It is unclear how the  
47 differences between these data modalities affect the sensitivity and specificity for detecting  
48 enhancer-gene correlations. Furthermore, correlation results may be strongly influenced by  
49 clustering analysis of single cell data, which in turn depends on multiple unconstrained  
50 parameters and algorithmic choices.

51 To address these gaps, we identify high-confidence, robust enhancer-gene links using a  
52 non-parametric permutation-based procedure to control for gene co-expression (Fig. 1a,  
53 Supplementary Fig. 1a). We first integrate single-cell transcriptomes (scRNA-seq) and  
54 epigenomes (open chromatin, snATAC-seq, and DNA methylation, snmC-Seq) to generate  
55 multi-modality profiles using a dataset with over 200,000 single cells from the mouse primary  
56 motor cortex<sup>6</sup>. We correlate the epigenetic state of putative enhancers with expression of nearby  
57 genes, and compare the observed correlation with two null distributions. A conventional  
58 shuffling procedure that randomly permutes cell labels effectively controls for noise present in  
59 single-cell sequencing measurements<sup>1,2,10</sup>. However, as we discuss below, this null distribution  
60 is confounded by gene co-expression and leads to spurious enhancer-gene associations. This  
61 challenge can be addressed statistically using generalized least squares regression<sup>16</sup> (GLS),  
62 which transforms data matrices to decorrelate observations. We used a more general non-  
63 parametric approach, shuffling genomic regions to create an appropriate null distribution<sup>11–15</sup>.  
64 Moreover, we leveraged three complementary data modalities to cross-validate enhancer-gene  
65 links with independent data. Finally, we validated the predicted links with multimodal 3D  
66 chromatin conformation (snm3C-seq) data<sup>17</sup>.



67  
 68 **Fig. 1 | Identifying enhancer-gene links through integrated analysis of single-cell transcriptomes**  
 69 **and epigenomes.** **a.** Our proposed method links enhancers with target genes by (1) integrating single-  
 70 cell transcriptomes (scRNA-seq) and epigenomes (snmC-seq and snATAC-seq), (2) correlating enhancer  
 71 activity with gene expression across metacells, (3) identifying significant links compared with a shuffled  
 72 null distribution, and (4) evaluating predicted links across null models, data modalities, and metacell  
 73 resolutions. **b.** Strength of enhancer-gene association as a function of genomic distance. The wide  
 74 interquartile range (shading) indicates high variability in enhancer-gene associations. **c-f.** Correlation of  
 75 the gene *Stim2* with nearby (**c**) and distal (**d-f**) enhancer regions. **g-i.** Scatter plots of *Stim2* expression  
 76 versus enhancer mCG (**g**), ATAC-seq signal (**h**), and enhancer-TSS chromatin contact frequency in  
 77 human orthologs (**i**). **j.** Enhancer-gene association from linear-genome features (mCG, ATAC) versus 3D-  
 78 genome features (chromatin contact frequency) for *Stim2* proximal enhancers. The x-axis shows the  
 79 minimum absolute correlation value between mCG-RNA and ATAC-RNA. Enhancer mCG level is  
 80 normalized by the global mean mCG level of each cell type; RNA is  $\log_{10}(\text{CPM}+1)$  normalized; ATAC is  
 81  $\log_{10}(\text{TPM}+1)$  normalized.

82  
 83  
 84 To illustrate the risk of false associations due to gene co-expression, we analyzed a  
 85 large set of single-cell transcriptome and epigenome data from the mouse primary motor  
 86 cortex<sup>6</sup>. Putative enhancers (see Methods; Table S1, Supplementary Fig. 1b) within ~100 kb of

87 a gene promoter were enriched in associations with gene expression, including positive  
88 correlations for chromatin accessibility and negative correlations for enhancer DNA methylation  
89 (mCG) (Fig. 1b, Supplementary Fig. 1c,d). However, these associations were highly variable:  
90 We observed many weak correlations for proximal enhancers (<100 kb), and relatively strong  
91 correlations for some distal enhancers (>500kb) (Fig. 1b, interquartile range ~0.4). The broad  
92 distribution of correlation strength makes it difficult to reliably link specific enhancers with their  
93 target genes.

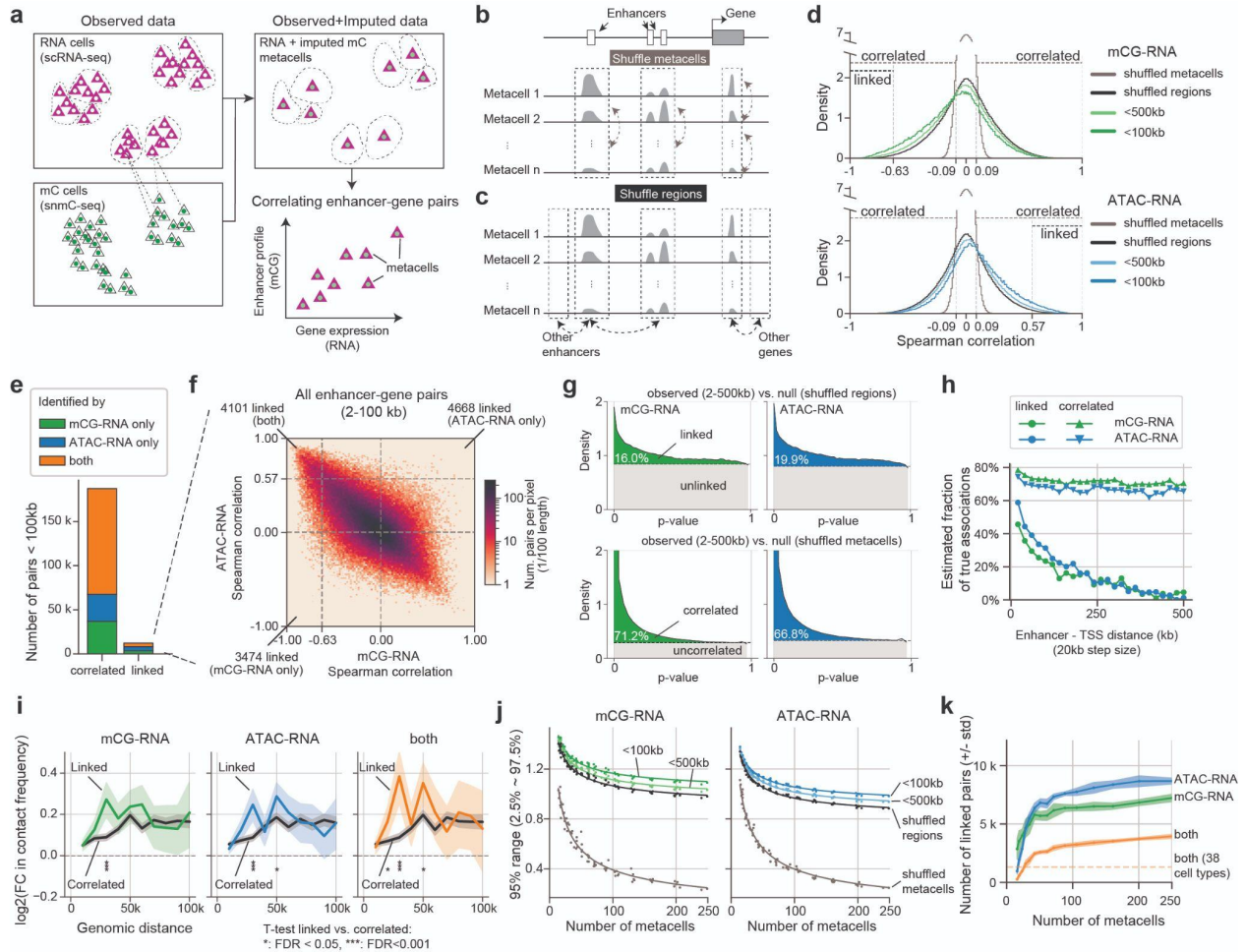
94 A representative example is the gene *Stim2*, encoding a calcium sensor that helps  
95 maintain basal  $Ca^{2+}$  levels in pyramidal neurons<sup>18</sup>. In cortical neurons, we identified 33  
96 enhancers within 100 kb of the *Stim2* promoter. *Stim2* expression correlates with low mCG ( $r =$   
97  $-0.87$ ,  $p=9e-13$ ,  $n=38$  cell types) and high chromatin accessibility ( $r=0.87$ ,  $p=1e-12$ ) at a nearby  
98 enhancer (Fig. 1c,g,h). By contrast, 15 other nearby enhancers have weaker, though still  
99 significant ( $FDR<0.05$ ), correlation with *Stim2* expression ( $|r|=0.46\sim0.85$ ). Moreover, *Stim2*  
100 expression also correlated significantly with 25,027 other enhancers located throughout the  
101 genome ( $FDR<0.05$ ; both mCG-RNA and ATAC-RNA), most of which ( $n = 23,526$ ) were on  
102 different chromosomes (Fig. 1d-f). Such numerous correlations with *trans*-enhancers likely  
103 reflect gene co-expression, rather than direct causal links with the *Stim2* gene. For example,  
104 these *trans*-enhancers might directly regulate nearby genes whose expression patterns across  
105 cell types are similar to *Stim2* (Supplementary Fig. 1e-h,j,k).

106 Next, we used three-dimensional genome conformation data to test whether putative  
107 enhancer-gene links correspond to bona fide physical interactions<sup>19</sup>. We analyzed the 3D  
108 chromatin contact frequency of the predicted enhancer-gene pair (Fig. 1c) across homologous  
109 human brain cell types, using multi-omic snm3C-seq data<sup>17</sup>. Chromatin contact frequency for  
110 this enhancer was strongly correlated with *Stim2* expression ( $r=0.95$ ,  $p=3e-4$ ; Fig. 1i;  
111 Supplementary Fig. 1i). By contrast, other proximal enhancers were less correlated (Fig. 1j).

112 In addition to the challenge of widespread spurious correlations, the case of *Stim2* also  
113 illustrates the challenges associated with defining cell types<sup>20</sup>. For example, the same set of  
114 cells can be grouped into either 8 major types or 38 fine-grained sub-types, leading to different  
115 correlation values (Fig. 1g,h; Supplementary Fig. 1j,k).

116 To address these issues, we developed a procedure that controls the risk of false  
117 positives from gene co-expression, and compares predicted links across data modalities and  
118 cell type resolutions (Fig. 2a, Supplementary Fig. 2). We first integrate single-cell transcriptomes  
119 (RNA) and epigenomes (DNA methylation or chromatin accessibility) using correlated gene-  
120 level features across data modalities (SingleCellFusion)<sup>6,21,22</sup>. This allows us to build a neighbor  
121 graph connecting cells within and across data modalities (see Methods). Next, we define  
122 metacells<sup>23</sup>, which aggregate the transcriptomic and epigenomic profiles from groups of similar  
123 cells. Each metacell has a complete bi-modal (transcriptomic and epigenomic) profile, which  
124 then allows us to correlate enhancer epigenetic features with gene expression. These metacells  
125 represent cells with an adjustable resolution, capturing both discrete and continuous patterns of  
126 variation.





127  
 128 **Fig. 2 | Stringent statistical criteria capture enhancer-gene links with consistent signatures across**  
 129 **data modalities and cell type resolutions.** **a.** Method for linking enhancers to target genes using  
 130 metacells with bi-modality profiles. **b-c.** Null distributions derived from shuffling metacells (**b**) or shuffling  
 131 regions (**c**). **d.** Distribution of enhancer-gene correlations. Bars indicate regions of statistical significance  
 132 (FDR=0.2 for pairs <100kb). Two null models induce two different types of significance: linked (black bar;  
 133 shuffle regions) and correlated (gray bar; shuffle metacells). **e.** The number of significantly linked or  
 134 correlated pairs using mCG-RNA, ATAC-RNA, or both. **f.** Joint distribution of mCG-RNA correlation  
 135 versus ATAC-RNA correlation for enhancer-gene pairs (2-100 kb). **g.** P-value histograms of enhancer-  
 136 gene pairs (2-500 kb), using shuffled regions (top panels) or shuffled metacells (bottom panels). The  
 137 estimated fraction of true positives is shown<sup>24</sup>. **h.** Estimated fraction of true associations vs. enhancer-  
 138 TSS distance. **i.** Enrichment of chromatin contact frequency of linked and correlated enhancer-gene pairs  
 139 compared with random genomic region pairs (mean  $\pm$ 95% confidence interval). Tracks are aggregated  
 140 across all contacts from 8 neuronal cell types. **j.** The spread (95% range) of correlation coefficients as a  
 141 function of the number of metacells. Dots represent observed data; lines represent inverse square root fit  
 142 ( $y \sim a/\sqrt{x} + b$ ). **k.** Number of linked pairs as a function of the number of metacells (FDR=0.2; mean  $\pm$   
 143 standard deviation across 5 bootstrap samples with 80% of cells.)

144  
 145  
 146 We reasoned that genuine enhancer-gene interactions should correspond to stronger  
 147 correlations than the background induced by co-expression. Correlations mediated by co-

148 expression are inherently limited in their strength by the magnitude of gene-gene correlations,  
149 whereas direct enhancer-gene interactions can produce stronger associations. Importantly, this  
150 assumption applies to the strongest enhancer-gene interactions; weak interactions that don't  
151 exceed the background of gene co-expression cannot be detected by correlation-based  
152 methods.

153 To test whether the observed correlations exceed what is expected due to noise and  
154 gene co-expression, we compared the observed correlation coefficients with two null  
155 distributions: shuffling metacells<sup>1,2,10</sup> and shuffling regions<sup>11-13</sup> (Fig. 2b-d). Shuffling metacells  
156 decouples epigenetic and transcriptomic signatures across metacells, removing both enhancer-  
157 gene correlation and gene co-expression (Fig. 2b). The significance arising from this distribution  
158 is inflated by gene co-expression, potentially leading to false positives in which an enhancer-  
159 gene pair may be correlated due to shared upstream regulation rather than direct interaction.  
160 Shuffling regions retains the gene co-expression structure imposed by the hierarchical  
161 organization of cell types, but it correlates each gene's expression with distant, randomly  
162 selected enhancers (Fig. 2c)<sup>11-13</sup>.

163 As expected, the distribution obtained by shuffling regions was wider than that derived  
164 from shuffling metacells (Fig. 2d), reflecting incidental correlations due to gene co-expression.  
165 Enhancer-gene pairs within 500kb of the TSS are significantly enriched in both positive and  
166 negative correlations when compared with shuffling metacells. However, when compared with  
167 shuffling regions, enrichment is only present in positive correlation for ATAC-RNA, and in  
168 negative correlation for mC-RNA. Thus, shuffling regions is a more stringent null distribution for  
169 calling significant enhancer-gene links, as it effectively controls for spurious enhancer-gene  
170 correlations due to gene co-expression.

171 We call an enhancer-gene pair significantly "correlated" if it passes an FDR-adjusted  
172 threshold based on shuffling metacells, whereas we reserve the term significantly "linked" for  
173 pairs that pass the criteria set by shuffling regions. We used a relatively lenient FDR threshold



174 of 0.2 to reduce the risk of false negatives from our stringent null distribution. Linked pairs  
175 (n=12,243 within 100kb, FDR<0.2) are a subset of correlated pairs (187,343 within 100kb,  
176 FDR<0.2) (Fig. 2e,f), but they have a stronger association that rises above the background from  
177 gene co-expression. Lowering the FDR threshold to 0.1 or 0.05 reduced the number of linked  
178 pairs to 3,142 and 489, respectively.

179 Notably, we found that removing sample covariance using GLS abolished the difference  
180 between shuffling regions and shuffling cells (Supplementary Fig. 3a-b). This manipulation thus  
181 removes the distinction between correlated pairs and linked pairs (Supplementary Fig. 3c). In  
182 addition, the shuffling-regions null distribution was robust with respect to differences in enhancer  
183 GC content and an enhancer's distance to its nearest gene (Supplementary Fig. 4a-d).

184 We compared our results with two alternative strategies for estimating enhancer-gene  
185 interactions using single-cell epigenomes. Using open chromatin data, CICERO<sup>8</sup> identified  
186 1,869 significant enhancer-gene associations located within 100kb. These significantly overlap  
187 with a subset of the correlated pairs we identified, and to a lesser degree with linked pairs  
188 (Supplementary Fig. 5a,b). Notably, the mean CICERO co-accessibility scores are 4.8-5.9 fold  
189 higher ( $p < 2e-8$ ) for linked pairs than for correlated pairs (Supplementary Fig. 5c). A second  
190 strategy, the activity-by-contact (ABC) model<sup>5</sup>, identified enhancer-gene links using both  
191 chromatin accessibility and chromatin conformation data. This model identified enhancer-gene  
192 links for each cell type independently, without considering correlated variability in expression  
193 across cells. The ABC model identified 150,228 associations within 100kb, which significantly  
194 overlap with our correlated and linked pairs (Supplementary Fig. 5d,e). In addition, the ABC  
195 scores are 1.09-1.22 fold higher ( $p < 1e-8$ ) for linked pairs than for correlated pairs  
196 (Supplementary Fig. 5f). These results show that linked pairs have stronger associations than  
197 correlated pairs, and are more likely to capture genuine enhancer-gene associations.

198 A potential pitfall of our stringent enhancer-gene linking procedure is a higher risk of  
199 false-negatives, i.e. failure to detect true interactions. We next empirically compared correlated

200 versus linked pairs from several biological and statistical perspectives, to test whether the  
201 correlations filtered out by our method are likely false positives arising from gene co-expression.

202 First, we observed that correlated pairs include many enhancer-gene links with a non-  
203 canonical direction of association (Fig. 2d; Supplementary Fig. 6a). For example, we found  
204 about a third (47,137/150,285) of these pairs had a negative correlation of gene expression with  
205 chromatin accessibility, and a similar proportion (53,687/156,932) had a positive correlation with  
206 mCG. Non-canonical associations were also reported in recent large-scale studies of brain cell  
207 epigenomes<sup>1,2</sup>. These correlations could suggest novel biological mechanisms such as  
208 methylcytosine-preferring transcription factors<sup>25</sup>. However, they may also include false-positive  
209 associations due to gene co-expression. Indeed, none of the non-canonical associations passed  
210 our threshold for linked pairs (Fig. 2d). This is consistent with the canonical understanding of  
211 enhancer activity associating with low DNA methylation and open chromatin.

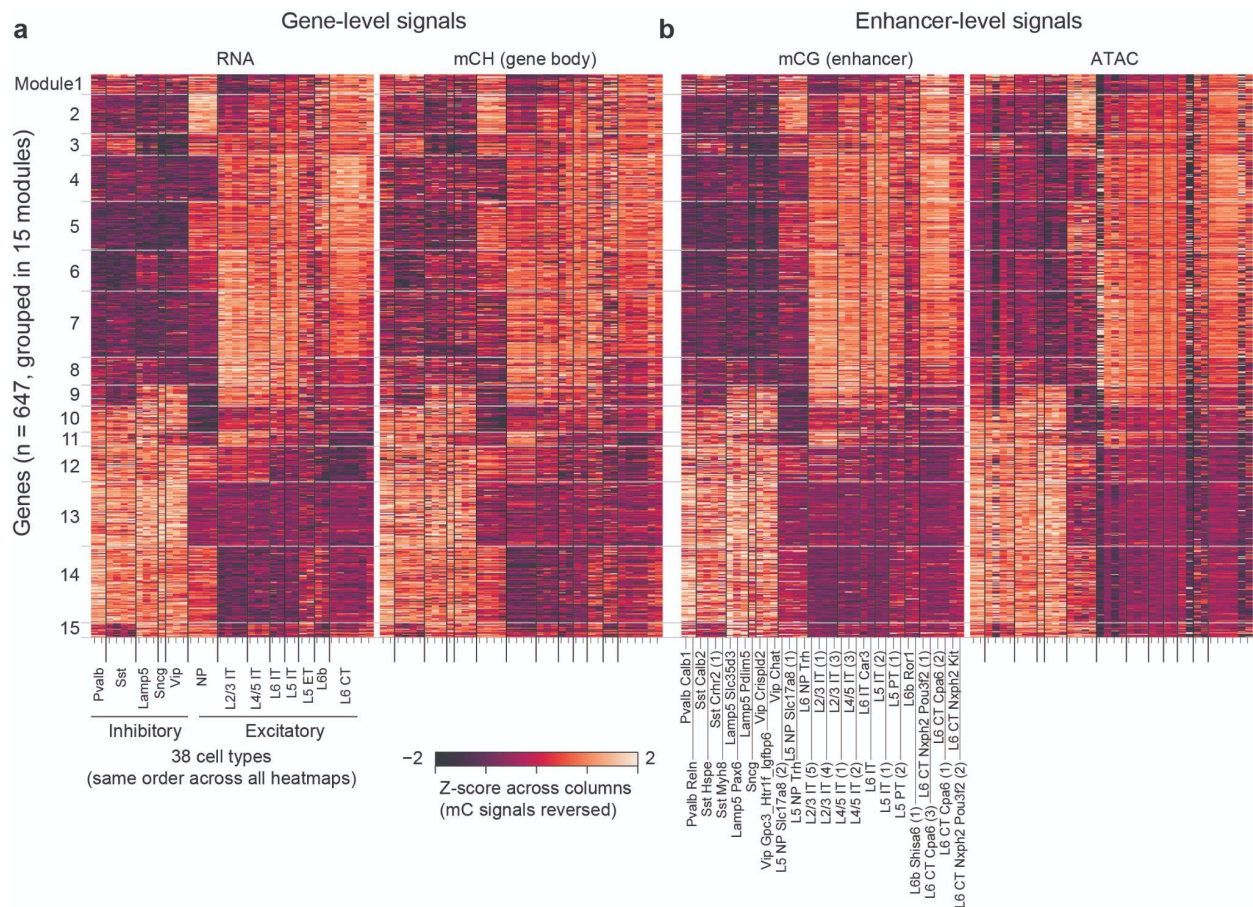
212 Second, as enhancer-gene interactions are mostly concentrated within ~100-500 kb  
213 around gene promoters<sup>4,5</sup>, we compared the distance dependence of linked and correlated  
214 pairs. Using a p-value histogram method<sup>24</sup>, we estimated 16.0-19.9% of enhancers that are 2-  
215 500kb away from a promoter are linked (Fig. 2g, Supplementary Fig. 6b). A much larger fraction  
216 (66.8-71.2%) were correlated. Notably, the proportion of correlated pairs remains high even for  
217 distal pairs (e.g. >60% for pairs >1 Mb or on other chromosomes), whereas <5% of these pairs  
218 are linked (Fig. 2h, Supplementary Fig. 6c). These correlated pairs contradict the biological  
219 understanding that most enhancers activate genes in *cis*; the linked pairs are more coherent  
220 with this canonical framework.

221 Third, we validated our predicted links with independent chromatin conformation data  
222 from the human brain<sup>17</sup>. We reasoned that linked enhancer-gene pairs which are conserved  
223 across species should have higher chromatin contact frequency compared with random regions.  
224 Indeed, we found enrichment of contact frequency for both linked (mean fold change (FC) =  
225 1.15,  $p=2e-4$ ) and correlated pairs (mean FC = 1.10,  $p=1e-5$ ). Moreover, linked pairs located

226 10-30 kb apart have higher levels of contact enrichment than correlated pairs (FDR<0.05; Fig.  
227 2i, Supplementary Fig. 6d,e).

228 A key parameter for our analysis is the cell type granularity, as determined by the  
229 number of metacells. The sparse genomic coverage of single-cell sequencing and the limited  
230 number of profiled cells create a tradeoff between the number of metacells and the quality of  
231 each metacell--i.e. between fine-grained resolution and signal/noise ratio. As the number of  
232 metacells ( $N$ ) increases, the width of the null distribution for the shuffled metacells approaches  
233 zero as  $\frac{1}{\sqrt{N}}$ , which is consistent with independent random signals for each metacell (see  
234 Methods; Fig. 2j; Supplementary Fig. 7a-c). By contrast, the range of the null distribution for  
235 shuffled regions does not vanish for large  $N$ , but instead asymptotes at a non-zero value that  
236 reflects gene co-expression (Supplementary Fig. 7c). Notably, the shuffling-regions null  
237 distribution is less sensitive to the number of metacells, and more closely reflects the behavior  
238 of the observed correlations. This suggests enhancer-gene link calling using shuffling-regions is  
239 less sensitive to the choice of cell type granularity than using shuffling-metacells. We found  
240 more linked pairs as the number of metacells increases, but with diminishing returns after  $N >$

241 50. (Fig. 2k; Supplementary Fig. 7d).



242

243 **Fig. 3 | Consistent gene- and enhancer-level signatures for hundreds of enhancer-gene links. a-b.**  
 244 Gene expression (a), gene body DNA methylation (b), and enhancer mCG (c) and ATAC signal (d)  
 245 across cell types. Genes are organized into 15 modules by K-means clustering. Enhancers are ordered  
 246 according to the genes they are linked to (FDR < 0.2 for both mCG-RNA and ATAC-RNA across n=38 cell  
 247 types). Signals from multiple enhancers linked to the same gene were averaged. The colormap for the  
 248 mC modalities (gene body mCH and enhancer mCG) are reversed.

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We used our procedure to comprehensively examine regulatory interactions in neurons

of the mouse primary motor cortex<sup>6</sup>. Linked enhancer-gene pairs formed 15 modules that

capture diverse cell-type-specific signatures (Fig. 3a,b). For example, genes in module 13 are

specifically expressed in pan-inhibitory neurons, with corresponding low CG methylation level

and open chromatin at linked enhancers. Module 9 is most active in caudal ganglionic eminence

(CGE) derived inhibitory neurons (Lamp5, Sncg, and Vip) and in superficial-layer excitatory

256 neurons (L2/3 IT and L4/5 IT). These consistent gene- and enhancer-level signals integrated  
257 from three data modalities provide strong support for our identified enhancer-gene associations.

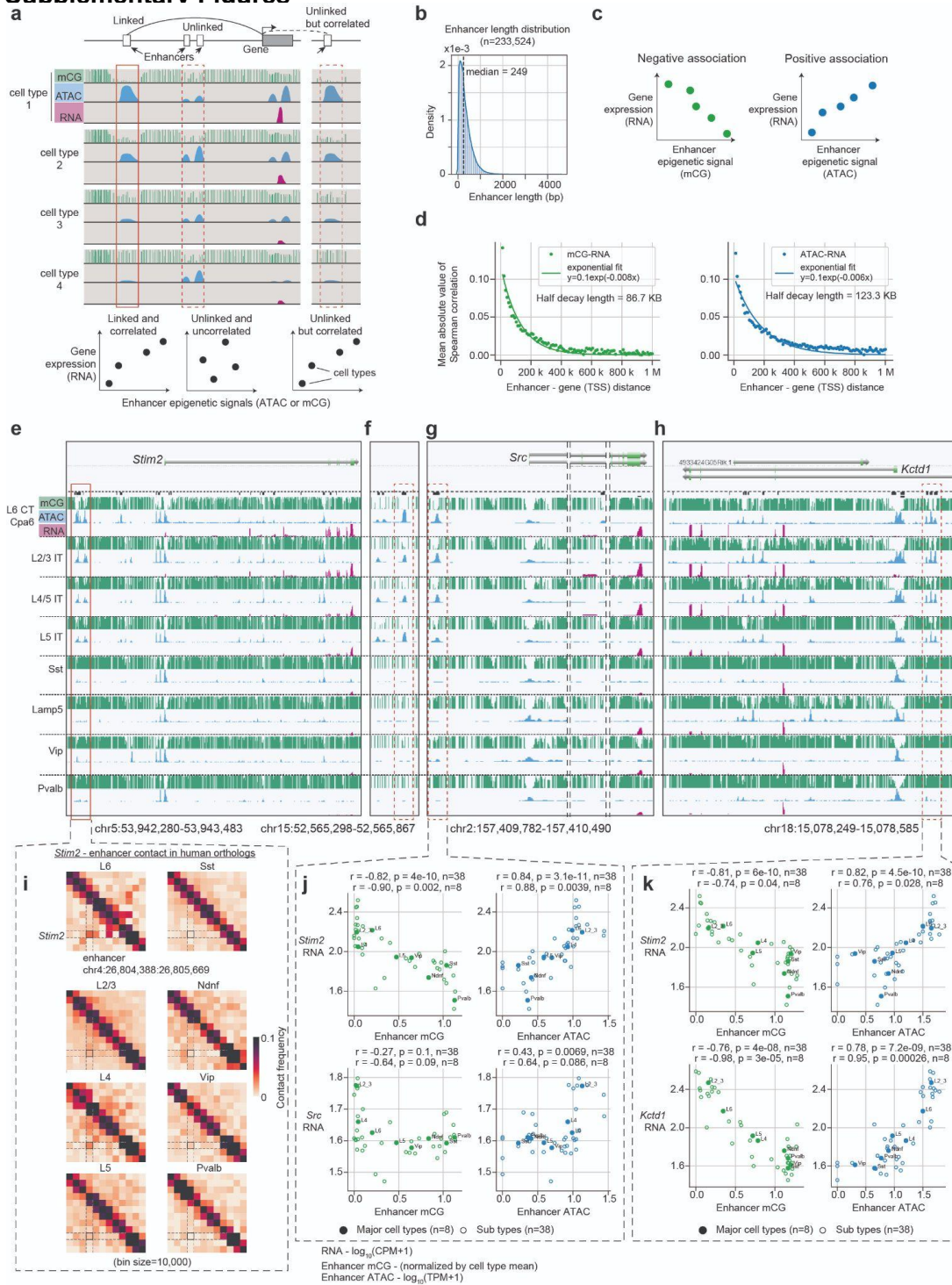
258 Our analyses highlight the challenge of distinguishing genuine enhancer-gene  
259 interactions from spurious correlations due to gene co-expression. We addressed this by  
260 empirically estimating the expected correlations for unlinked enhancer-gene pairs under co-  
261 expression, and comparing results across different epigenetic assays and cell type granularities.  
262 Notably, mCG-RNA and ATAC-RNA associations show striking similarities (Fig. 2d,f-k; Fig. 3),  
263 despite measuring distinct epigenetic features with opposite effects on gene expression.  
264 Predicted enhancer-gene links are robust with respect to a wide range of cell type granularities  
265 (Fig. 2k). We identified hundreds of genes and thousands of linked cCREs with highly  
266 coordinated gene- and enhancer-level activities (Fig. 3a,b).

267 Correlation-based analysis has notable limitations. First, this approach cannot identify  
268 constitutive enhancer-gene links that are present in all cell types. Larger datasets including  
269 more diverse tissues or cell types may partly address this limitation. Second, rigorous control for  
270 spurious correlations limits the power of detecting genuine but weak enhancer-gene  
271 interactions. Finally, true causal interactions cannot be inferred from correlational analysis  
272 alone. The links we identified (Fig. 3a,b) are strong candidates for causal enhancer-gene  
273 interactions, which must be tested by perturbative experiments<sup>26,27</sup>. Future experimental  
274 validation, including large-scale assays<sup>4,5,28</sup>, will be needed to test correlation-based predictions.  
275 By bringing together multiple data modalities to define robust enhancer-gene links, these  
276 analyses can reveal the regulatory principles of cell-type-specific gene expression.

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278 **Supplementary Figures**

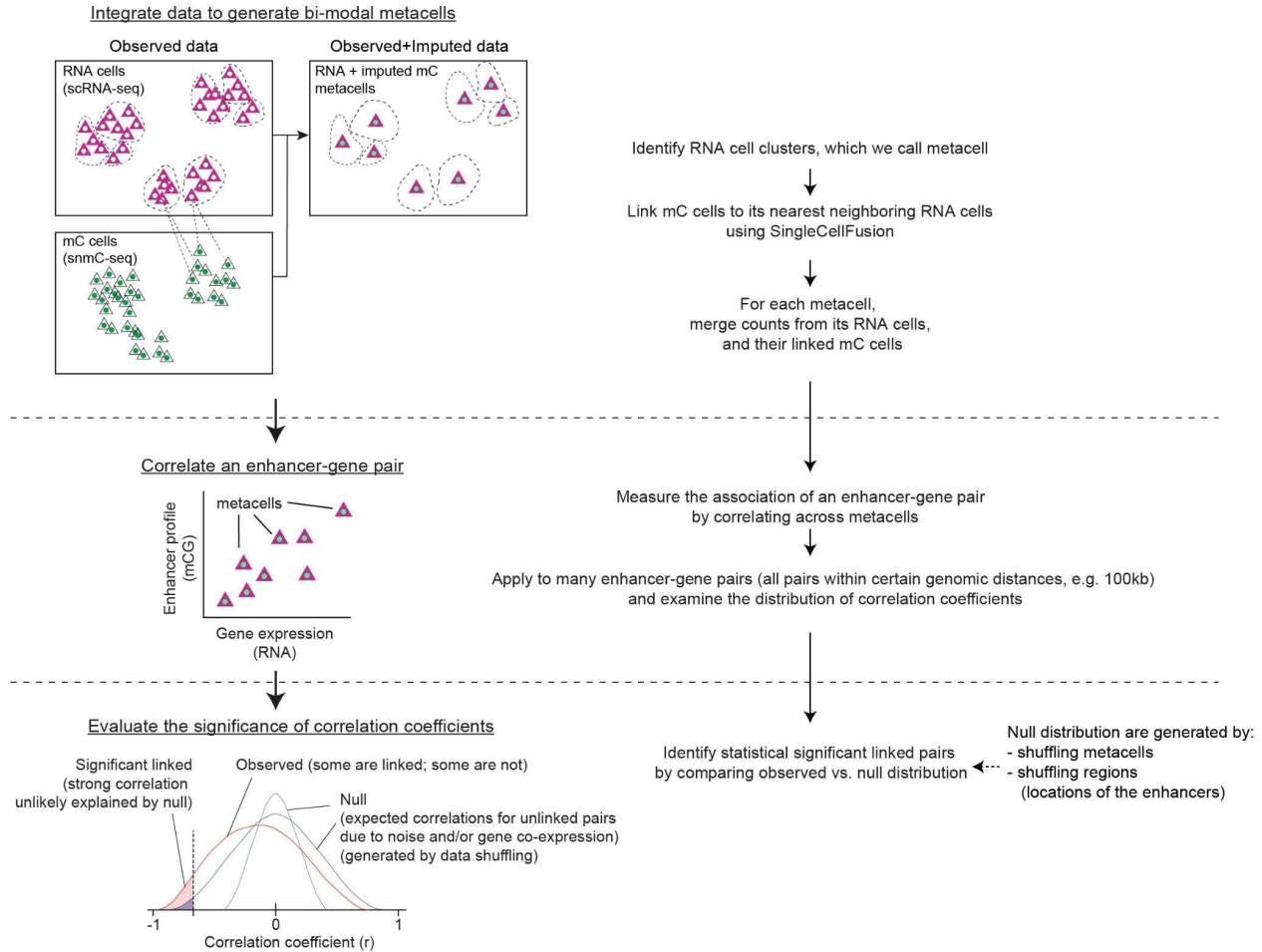


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280 **Supplementary Figure 1. Examples of enhancer-gene links (Related to Fig. 1).** a. Approach  
 281 for linking enhancers to target gene(s) by correlating enhancer activities and gene expression  
 282 across cell types. Statistically significant correlation alone may not distinguish genuine vs.



283 spurious links. **b.** Distribution of putative enhancer length (list adapted from Ref<sup>6</sup>; see Methods).  
284 **c.** Illustration of two modes of enhancer-gene associations: enhancer mCG typically have  
285 positive correlation with gene expression, while enhancer ATAC-seq signals typically have  
286 negative correlation. **d.** Median Spearman correlation as a function of enhancer-TSS distance.  
287 Both mCG-RNA and ATAC-RNA decay exponentially, with a half decay length of 86.7 kb and  
288 123.3 kb, respectively (Related to Fig. 1b). **e-h.** Genome browser views across cell types and  
289 data modalities near the gene *Stim2* (**e**), as well as other regions (**f-h**) with strongly correlated  
290 enhancer signals. Note that the highlighted enhancers in (**g-h**) are also correlated with the  
291 expression of their nearby genes (*Src* and *Kctd1*) (Related to Fig. 1c-f). **i.** Heatmaps of  
292 chromatin contact frequency in human brain cells near *Stim2* and the human ortholog of the  
293 highlighted enhancer across 8 human neuronal cell types. **j-k.** Scatter plot of *Stim2* expression  
294 (upper row) / local genes expression (lower row) versus the highlighted enhancers. Enhancer  
295 mCG level is normalized by the global mean mCG level of each cell type; RNA is  $\log_{10}(\text{CPM}+1)$   
296 normalized; ATAC is  $\log_{10}(\text{TPM}+1)$  normalized.  
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299 **Supplementary Figure 2. Method overview.** The analysis involves three main steps. 1.

300 Integrate transcriptomic and epigenomic data to generate metacells with bi-modal profiles. 2.

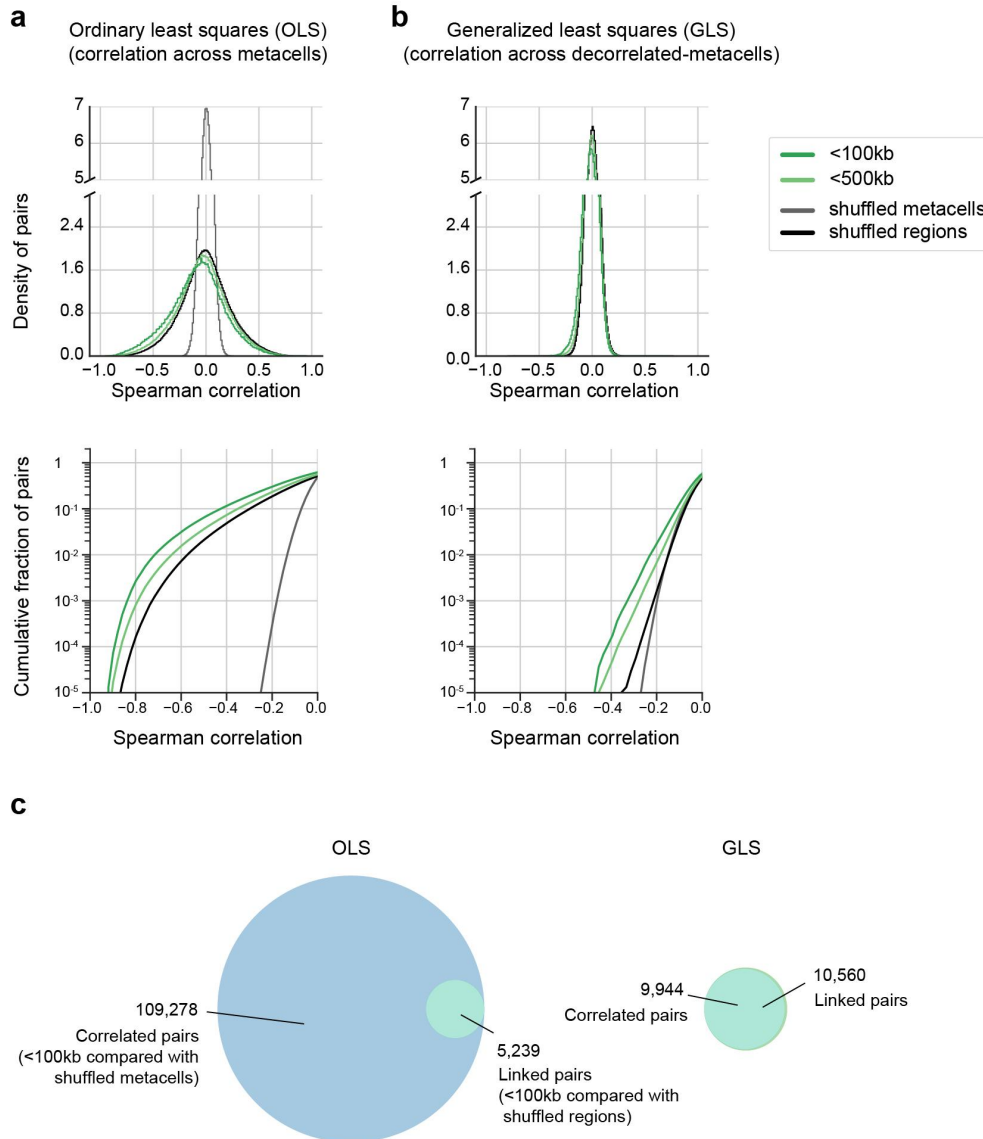
301 Correlate enhancer-gene pairs to get correlation coefficients for individual enhancer-gene pairs.

302 3. Evaluate the statistical significance of correlations by comparing the observed correlations

303 with null distributions generated by data shuffling.

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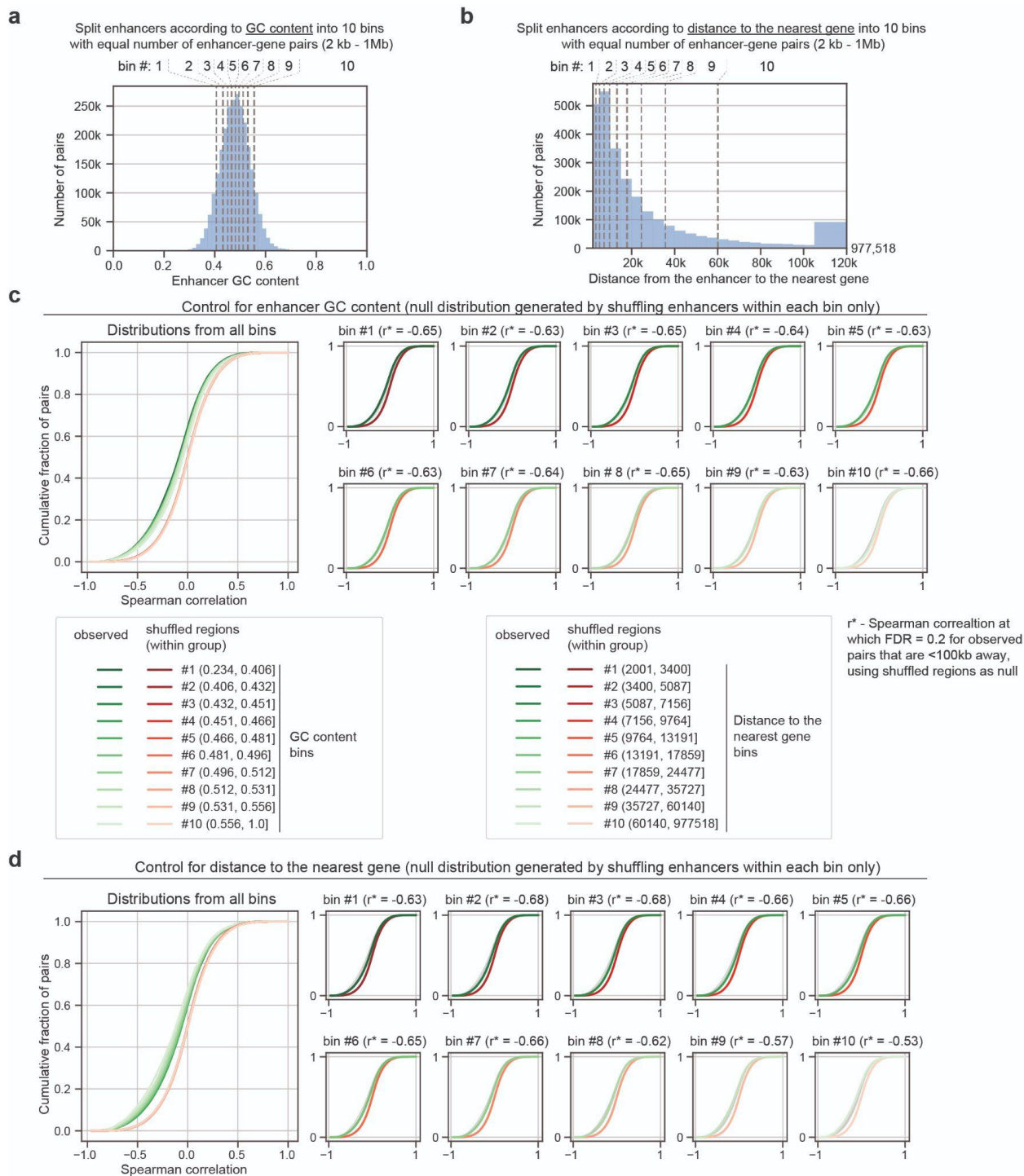
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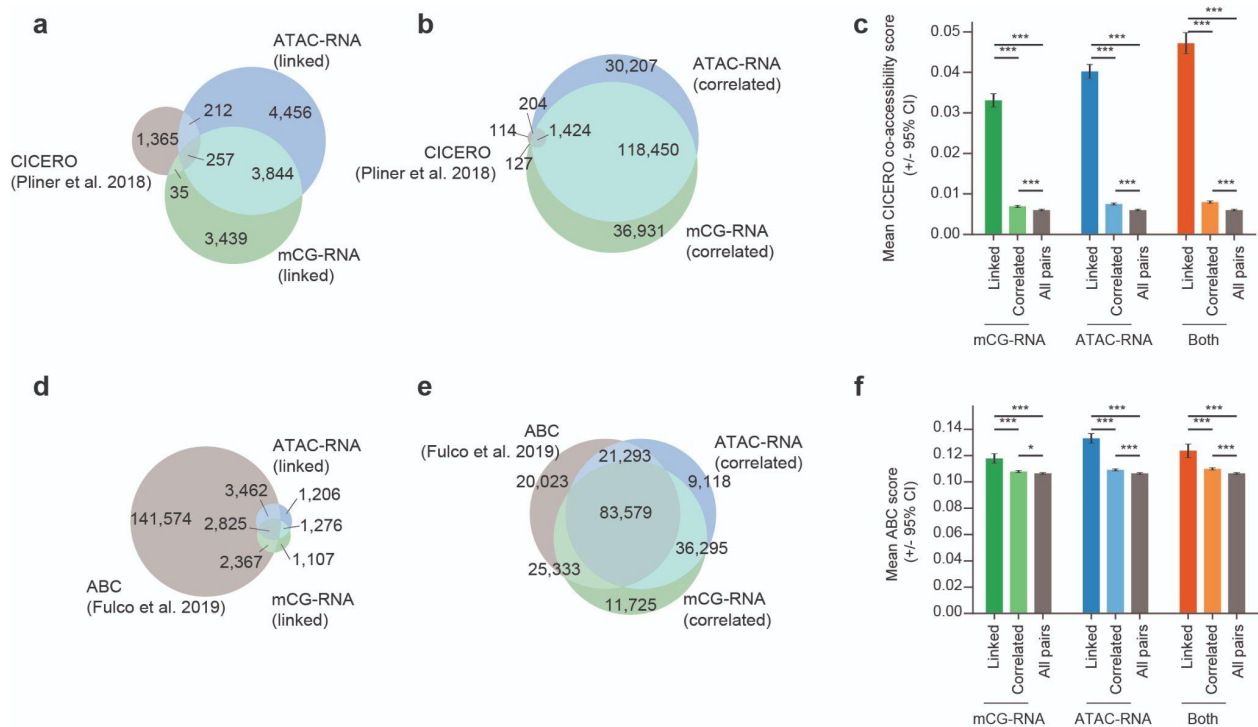
**Supplementary Figure 3. Generalized Least Squares (GLS) transformation abolishes the difference between shuffling metacells and shuffling regions (Related to Fig. 2). a-b.**

Density distribution (top) and cumulative distribution (bottom) of enhancer-gene correlations across metacells using OLS (a), and across decorrelated metacells using GLS (b). GLS transformation decouples the covariance across metacells, making the shuffling-regions distribution similar to the shuffling-metacell distribution (see Methods). c. Venn diagram showing the degree of overlap between correlated pairs and linked pairs, using OLS (left) and GLS (right) approaches. GLS abolishes the difference between correlated and linked pairs.



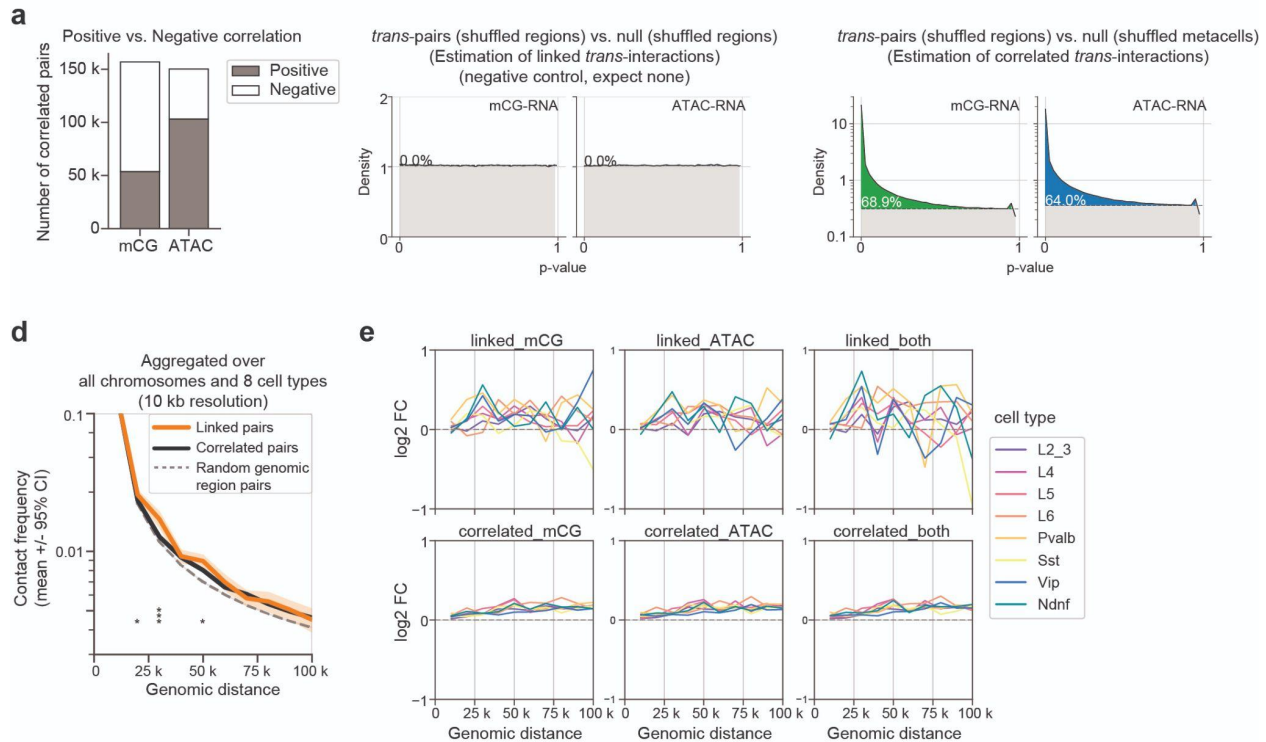
317  
 318 **Supplementary Figure 4. The shuffling-regions null distribution is robust with respect to**  
 319 **enhancer GC content and distance to the nearest gene (Related to Fig. 2).** a-b. Distribution  
 320 of GC content (a) and distance to the nearest gene (b) for enhancers that are in all enhancer-  
 321 gene pairs (2kb - 1Mb). In each case, they are grouped into 10 bins (deciles) with an equal  
 322 number of enhancer-gene pairs. c-d. Cumulative distribution of enhancer-gene correlation  
 323 (mCG-RNA; observed (<100kb) vs. null (shuffling regions)). The same analyses are applied to

324 each of the 10 bins by enhancer GC content (**c**) and by distance to the nearest gene (**d**),  
325 respectively. Null distributions from different bins highly overlap.

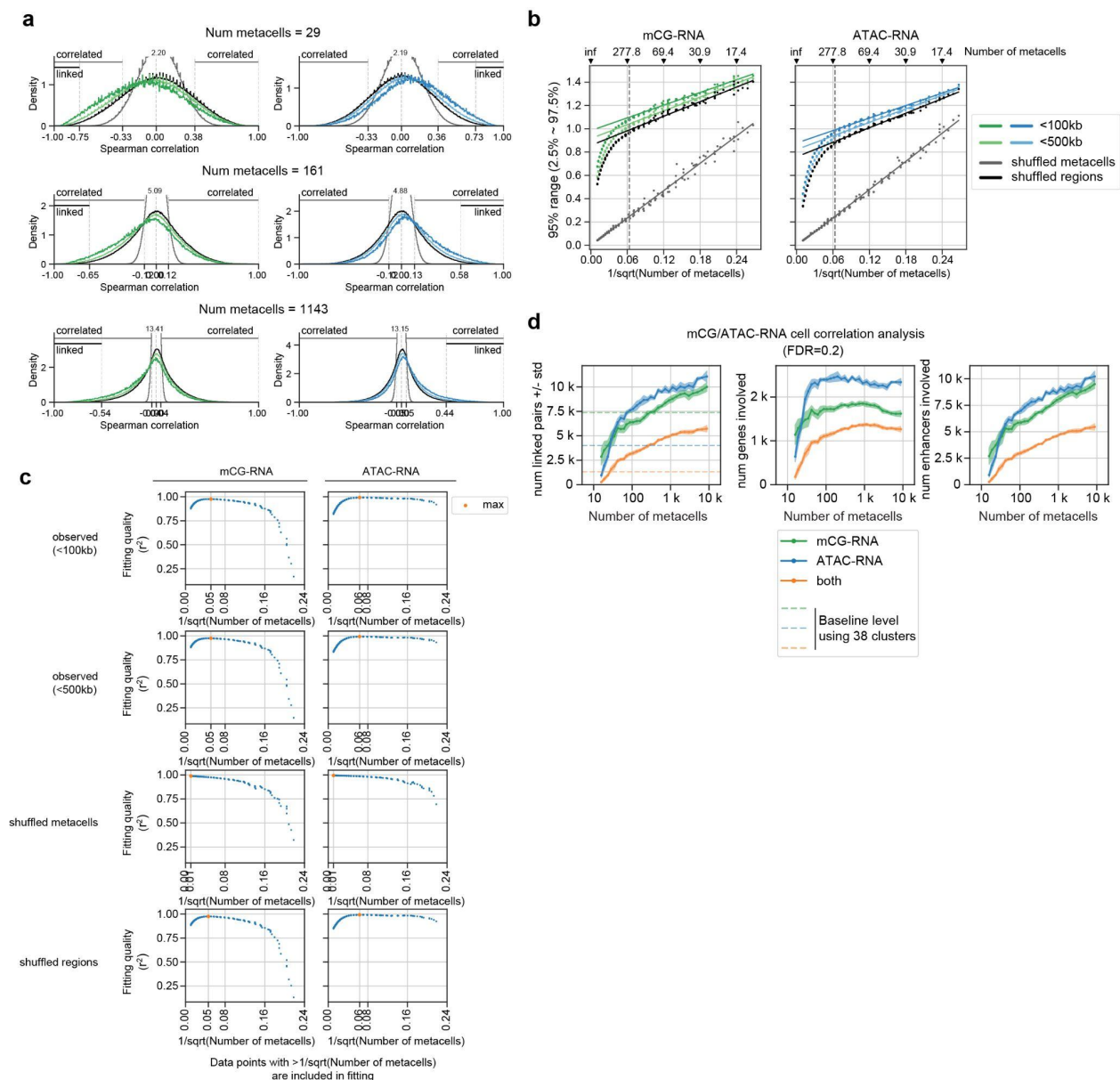


326  
 327 **Supplementary Figure 5. Comparison with CICERO<sup>9</sup> and the activity-by-contact (ABC)**  
 328 **model<sup>5</sup> (Related to Fig. 2).** **a-b.** Venn diagram comparing the enhancer-gene associations  
 329 identified by applying CICERO<sup>8</sup> to the mouse MOp data<sup>6</sup> versus linked pairs **(a)** and  
 330 correlated pairs **(b)** found in this study. **c.** Barplots comparing the mean CICERO scores across different  
 331 groups of enhancer-gene pairs identified in this study. Error bars indicate 95% confidence  
 332 intervals. Independent t-test are used to compare between groups (\* p<0.05, \*\*\* p<0.001). **d-e.**  
 333 Venn diagram comparing the enhancer-gene associations identified by applying ABC model<sup>5</sup> to  
 334 the mouse MOp data<sup>6</sup> versus linked pairs **(d)** and correlated pairs **(e)** found in this study. **f.**  
 335 Barplots comparing the mean ABC scores across different groups of enhancer-gene pairs  
 336 identified by this study. ABC scores are generated for each enhancer-gene pair and cell  
 337 type (n=38). We first took the maximum across cell types, followed by taking the mean of each group  
 338 of enhancer-gene pairs. Error bars indicate 95% confidence intervals. Independent t-test are  
 339 used to compare between groups (\* p<0.05, \*\*\* p<0.001).  
 340





341  
 342 **Supplementary Figure 6. Linked vs. correlated enhancer-gene pairs have distinct**  
 343 **characteristics (Related to Fig. 2).** **a.** The number of positively or negatively correlated  
 344 enhancer-gene pairs for mCG-RNA and ATAC-RNA, respectively. **b.** P-value histograms<sup>24</sup> of  
 345 *trans*-enhancer-gene pairs using shuffling-regions as the null distribution. The histogram closely  
 346 follows a uniform distribution, indicating *trans*-enhancer-gene pairs are linked. This serves as a  
 347 negative control for Fig. 2g. **c.** P-value histograms<sup>24</sup> of *trans*-enhancer-gene pairs, using  
 348 shuffling-metacells as the null distribution. The numbers mark the fraction of p-values that  
 349 deviate from the uniform distribution, which estimates the fraction of correlated *trans*-enhancer-  
 350 gene pairs. **d.** Chromatin contact frequencies of pairs of genomic bins as a function of genomic  
 351 distance. Linked and correlated pairs (lifted over from mm10 to hg38<sup>29</sup>) are compared with  
 352 random genomic pairs. Results are aggregated over all chromosomes (autosomes + chrX) and  
 353 8 different human neuronal cell types (L2/3, L4, L5, L6, Pvalb, Sst, Vip, Ndnf) at 10kb resolution  
 354 of chromatin contact maps<sup>17</sup>. **e.** Enrichment of contact frequency of linked and correlated  
 355 enhancer-gene pairs compared with random genomic region pairs across 8 human neuronal cell  
 356 types.  
 357



358  
 359 **Supplementary Figure 7. Effect of the granularity of metacells on enhancer-gene**  
 360 **correlations (Related to Fig. 2).** **a.** Distributions of correlation coefficients for different numbers  
 361 of metacells. The distributions become narrower as the number of metacells increases. Here the  
 362 number of metacells controls cell type granularity. **b.** Range of correlation coefficients  
 363 (2.5%~97.5% range) as a function of  $1/\sqrt{N}$ , where  $N$  is the number of metacells. Data points  
 364 are well fitted by a straight line for  $N < 277$ . **c.** Fitting quality, as measured by  $r^2$ , as a function  
 365 of fitting cutoff--range of data points in (b) used for fitting. The fitting quality peaks at  $1/\sqrt{N} =$   
 366 0.05, i.e.,  $N = 278$ . **d.** The number of linked pairs (left), number of genes involved (middle), and  
 367 number of enhancers involved (right) as a function of the number of metacells.

## 368 **Methods**

369 **Datasets** We used three single-cell sequencing datasets from the mouse primary motor cortex  
370 (MOp)<sup>6</sup>. They are scRNA-seq (single cell; 10x genomics V3; Allen Institute for Brain Science),  
371 snmC-seq (single nucleus; DNA methylation; Ecker lab from the Salk Institute), and snATAC-  
372 seq (single nucleus; chromatin accessibility; Ren lab from UCSD). Only high-quality neuronal  
373 cells, as determined in Ref<sup>6</sup> (from its [Supplementary Table 2](#); column SCF/SingleCellFusion),  
374 are retained for our analysis. These datasets are publicly available and provided by a previous  
375 study (Ref<sup>6</sup>; <https://assets.nemoarchive.org/dat-ch1ngb7>). The starting point of all analyses are  
376 gene-by-cell matrices and/or enhancer-by-cell matrices depending on the data modality. For the  
377 scRNA-seq dataset, we start from the gene-by-cell count matrix. For the snATAC-seq dataset,  
378 we quantified both enhancer-by-cell and gene-by-cell count matrices. For the snmC-seq  
379 dataset, we quantified enhancer-by-cell CG DNA methylation profiles and gene-by-cell non-CG  
380 (CH) DNA methylation profiles. The DNA methylation profile for a particular region and cell can  
381 be summarized by two numbers: the number of methylated cytosines (mC) and the total number  
382 of cytosines covered (C). The DNA methylation level is the ratio of mC to C (mC/C). Please see  
383 sections below for dataset specific procedures of normalizations. The mouse gene annotation  
384 file is downloaded from gencode (vM16). The enhancer list is adapted from the putative  
385 enhancer list from Ref<sup>6</sup> (see below).

386

387 **Calling putative enhancers** We constructed our putative enhancer list based on the mouse  
388 MOp neuronal cell type-specific putative enhancers from Ref<sup>6</sup> (from its [Supplementary Table 7](#)).  
389 In that study, the enhancers are called using REPTILE<sup>30</sup>, an algorithm that uses the DNA  
390 methylation and ATAC-seq profiles of 13 mouse neuronal cell types, as well as mouse  
391 embryonic stem cells, as input. Starting from this list, we first selected regions with enhancer  
392 score >0.5 and merged overlapping regions using bedtools<sup>31</sup>. We subsequently removed

393 regions overlapping any gene promoter regions (transcription start site +/- 2kb; all transcripts  
394 from gencode vM16), exons (vM16), and ENCODE blacklist<sup>32</sup>. This leaves us with 233,524  
395 enhancers in total, with a median size of ~250 bp (Supplementary Fig. 1b; Table S1).

396

397 **Curated cell types** For analyses related to Figure 1, we curated a list of 38 neuronal cell  
398 clusters based on the SingleCellFusion clusters (L1 and L2, with n=29 to 56 cell types  
399 respectively) in Ref<sup>6</sup>. We aimed to merge small clusters to increase pseudo bulk coverage at  
400 enhancers, while retaining as much cell type diversity as possible. To achieve this, we first call  
401 an enhancer *covered* in a cluster if it has at least 20 sequenced CpG sites in that cluster, where  
402 the cluster-level coverage is the sum of cell-level coverages. Next, we call an enhancer  
403 *common*, if it is covered in more than half of the L2 clusters. We call a cluster *covered*, if more  
404 than half of the common enhancers are covered in that cluster. For each L1 cluster we then  
405 evaluate 3 cases:

- 406 1. If the cluster itself is not covered, we drop it along with all its child (L2) clusters.
- 407 2. Else if less than 2 ( $n < 2$ ) of its child (L2) clusters are covered, we retain the L1 cluster  
408 itself, but drop all its child (L2) clusters.
- 409 3. Else if at least 2 ( $n \geq 2$ ) of its child (L2) clusters are covered, we retain the covered L2  
410 clusters, but drop the uncovered L2 clusters and the L1 cluster.

411 This procedure resulted in 38 clusters with adequate coverage. Table S4 summarized the  
412 correspondence between the 38 clusters we get from this procedure and the cell types defined  
413 in Ref<sup>6</sup>.

414 To compare with the cell types in snm3C-seq data<sup>17</sup>, we further merged these 38 fine-  
415 grained clusters into 8 major clusters based on the well-established neuronal cell type  
416 taxonomy<sup>33</sup>. Table S4 summarized the correspondence between the 38 fine grained and the 8  
417 major cell clusters defined in this study and those defined in Ref<sup>6,17</sup>.

418

419 **Clustering and defining metacells.** For analyses related to Figure 2, we generated cell  
420 clusterings with a range of cluster resolutions. We start by normalizing the scRNA-seq count  
421 matrix with  $\log_{10}(\text{CPM}+1)$ , where CPM stands for counts per million mapped reads. We then  
422 calculated the top 50 principal components (PCs), and built a k-nearest neighbor graph ( $k = 30$ )  
423 connecting cells according to the Euclidean distance in the PC space. We used Leiden  
424 community detection to generate clusters<sup>34</sup>. Different resolution parameters ( $r = 1 \sim 794$ ) were  
425 chosen to generate clusters with different granularity ( $n = 13 \sim 8850$  metacells). The pseudo  
426 bulk profiles from each of the individual clusters were used as metacells.

427

428 **Feature selection and normalization.** We preprocessed the data matrices separately for each  
429 data modality. The starting point is always cell-level matrices containing counts (RNA and  
430 ATAC) or methylation level (mC). To get cluster-level (metacell) matrices, we summed counts  
431 from cells in the same clusters (metacells) to create pseudo-bulk samples. For methylation  
432 data, we summed methylated counts and total counts (coverage) separately. Next, we  
433 normalized matrices as follows:

434 - For an RNA matrix (gene-by-cluster/metacell), we normalize the raw count matrix with  
435  $\log_{10}(\text{CPM}+1)$ .

436 - For an ATAC matrix (enhancer-by-cluster/metacell), we normalize the raw count matrix  
437 with  $\log_{10}(\text{TPM}+1)$ , where TPM stands for transcripts per million mapped reads.

438 Enhancers that are covered in <50% of clusters are removed.

439 - For a gene body mCH matrix (gene-by-cluster/metacell), we first removed low coverage  
440 genes if the gene has <50% clusters surpassing 1000 counts in the gene body (or <  
441 80% metacells surpassing 20 counts). We then take the ratio of the number of  
442 methylated to the number of coverage to get the methylation fraction. All the steps here  
443 consider cytosines in non-CG (CH) dinucleotide context only.

444 - For an enhancer mCG matrix (enhancer-by-cluster/metacell), we first removed low  
445 coverage enhancers if the gene has <50% clusters surpassing 20 counts (or <80%  
446 metacells surpassing 5 counts) in the enhancer region. We then take the ratio of the  
447 number of methylated to the number of coverage to get the methylation fraction. All the  
448 steps here consider cytosines in CG dinucleotide context only.

449 After normalization and filtering of individual matrices, we then consider only enhancers that are  
450 shared in both ATAC and mCG matrices for downstream analyses.

451

452 **Correlating enhancer-gene pairs across cell types.** We calculate the Spearman correlation  
453 coefficient between any pair of enhancer and gene that are within 1 Mbp (enhancer center to  
454 gene TSS) across curated cell types (n=38 or n=8). This was done separately for enhancer  
455 mCG vs. RNA and enhancer ATAC vs. RNA. Enhancer mCG signals are normalized by the  
456 global mean mCG levels of each cell type; enhancer ATAC signals are  $\log_{10}(\text{TPM}+1)$   
457 normalized; RNA expression levels are  $\log_{10}(\text{CPM}+1)$  normalized.

458 To assess the statistical significance of the enhancer-gene correlations, we repeated the  
459 correlation analysis with 2 types of data shuffling control, as explained in the main text. To  
460 control for random noise, we shuffled cell cluster labels of the gene-by-cluster RNA matrix,  
461 followed by calculating correlation coefficients. To control for background co-expression across  
462 enhancer-gene pairs, we shuffled gene labels of the gene-by-cluster RNA matrix, followed by  
463 calculating correlation coefficients.

464

465 **Correlating enhancer-gene pairs across metacells.** Given a transcriptomic dataset (scRNA-  
466 seq) and an epigenetic dataset (e.g. snmC-seq) collected from the same tissue, we first  
467 generate a constrained k-nearest neighbor network linking cells across the two modalities  
468 (SingleCellFusion; Ref<sup>6,22</sup>). This network allows us to impute the DNA methylation profiles (mC)  
469 for each RNA cell. We then cluster scRNA-seq cells using Leiden community detection<sup>34</sup> (see



470 section **Clustering/Generating metacells**). We call these clusters *metacells*, to emphasize that  
471 they do not necessarily correspond to discrete cell types, but could also capture continuous  
472 changes among cell populations. These preparations allow us to construct bi-modal profiles for  
473 each metacell, by aggregating counts--either observed or imputed--from cells in the same  
474 metacells. Finally, we evaluate the correlations between enhancer-gene pairs across metacells.

475 To be specific, the starting point of this analysis involves 4 matrices: an enhancer-by-cell  
476 mCG (or ATAC) matrix  $E_{ec}$ , a gene-by-cell RNA matrix  $R_{gc'}$ , a cross-modal cell-to-cell k nearest  
477 neighbor matrix:  $K_{cc'}$ , and a metacell assignment matrix of RNA cells  $K_{c'z}$ . Here we use  $c$ ,  $c'$  and  
478  $z$  to denote an mC cell, an RNA cell, and a metacell, respectively. A metacell is a group of RNA  
479 cells generated by Leiden clustering. We use  $g$  and  $e$  to denote an enhancer and a gene,  
480 respectively. All matrices contain unnormalized raw counts.  $K_{cc'}$  is generated by  
481 SingleCellFusion<sup>6,22</sup> with default settings and cross-modal  $k=30$ .  $K_{c'z}$  is generated by Leiden  
482 clustering on the RNA-seq dataset as mentioned in previous sections.

483 To get bi-modal profiles for a metacell, we aggregate counts from the cells belonging to  
484 that metacell:  $R_{gz} = \sum_{c'} R_{gc'} K_{c'z}$ , and  $E_{ez} = \sum_c E_{ec} K_{cc'} K_{c'z}$ . The metacell profiles are then  
485 normalized as mentioned in previous sections to adjust for metacell size, library size, and gene  
486 length. Finally, normalized  $R_{gz}$  and  $E_{ez}$  allow us to correlate a specific pair of gene  $g^{(i)}$  and  
487 enhancer  $e^{(i)}$  across metacells ( $z$ ). We calculated Spearman correlation coefficients for all  
488 enhancer-gene pairs with distance between 2kb to 1Mb (enhancer center - TSS).

489

490 **Estimating the statistical significance of enhancer-gene links.** To assess the statistical  
491 significance of a correlation coefficient  $r$ , we constructed two null distributions by shuffling  
492 metacells (Fig. 2b) and shuffling regions (Fig. 2c). In the first case, we shuffle metacell labels  
493 independently for transcriptomic and epigenetic data, such that the two data modalities become  
494 independent of each other. In the second case, we permute and enhancers randomly from their

495 original genomic location to the locations of other genes and enhancers, while retaining the  
496 linked bi-modal profiles of each metacell.

497       Either null distribution can be used to get empirical p-values and false discovery rate  
498 (FDR). The empirical p-value of a correlation coefficient  $r$  is defined as the cumulative fraction  
499 of the null distribution that has more extreme (stronger) correlation coefficients than  $r$ . We  
500 calculated two-sided p-values when using the shuffled metacells distribution, and single-sided p-  
501 values when using the shuffled regions distribution. FDRs are then calculated using the  
502 Benjamini-Hochberg procedure<sup>35</sup>. We call an enhancer-gene pair significantly *linked (correlated)*  
503 if its empirical FDR is <0.2 using shuffling regions (metacells) as the null.

504       To see if the shuffled regions distribution depends on enhancer properties such as its  
505 sequence GC content and distance to the nearest gene, we also performed stratified shuffling  
506 analyses (Supplementary Figure 4). We first grouped enhancers into 10 bins (deciles) according  
507 to their GC content or distance to the nearest gene. We then shuffled enhancers within each bin  
508 and compared observed enhancer-gene correlations with shuffled ones for each bin separately.

509

510 **Enrichment of 3D chromatin contact frequencies.** We validated the predicted enhancer-gene  
511 links using single-cell measurements of 3D-chromatin contact frequency in human prefrontal  
512 cortex<sup>17</sup>. Raw contact matrices of 8 neuronal cell types were downloaded as mcool files<sup>17</sup>. We  
513 calculated contact frequencies from raw counts using matrix balancing using Cooler<sup>36,37</sup>. We  
514 then focused on analyzing these contact frequency matrices at a resolution of 10kb non-  
515 overlapping genomic bins across the genome.

516       To compare our enhancer-gene links predicted in the mouse brain with the chromatin  
517 contact data from human brain, we lifted genes (gencode vM16 whole genes) and putative  
518 enhancers from mm10 to hg38 using LiftOver<sup>29</sup> with parameters -minMatch=0.8 and -  
519 minBlocks=1.00.

520 To calculate enrichment, we first assigned enhancers (center) and genes (TSS) to their  
521 corresponding genomic bins (non-overlapping 10kb bins genomewide). We compared the  
522 contact frequencies of the predicted enhancer-gene pairs with random genomic region pairs  
523 with similar genomic distance. We separately tested the enrichment of contact frequencies of 6  
524 groups of predicted enhancer-gene pairs: mCG-RNA linked, ATAC-RNA linked, pairs linked by  
525 both modalities, mCG-RNA correlated, ATAC-RNA correlated, and pairs correlated in both  
526 modalities. For each of the 8 neuronal cell types, we only include pairs that are active in the  
527 specific cell type, i.e. whose gene expression is greater than the median across all 8 cell types.

528

529 **Comparison with CICERO.** We installed the R package CICERO<sup>8</sup> from the Bioconductor  
530 following the instructions from the authors' tutorial ([https://cole-trapnell-lab.github.io/cicero-](https://cole-trapnell-lab.github.io/cicero-release/docs_m3/#constructing-cis-regulatory-networks)  
531 [release/docs\\_m3/#constructing-cis-regulatory-networks](https://cole-trapnell-lab.github.io/cicero-release/docs_m3/#constructing-cis-regulatory-networks)). We ran CICERO on MOp ATAC-seq  
532 data using default parameters. The program takes as input a peak-by-cell ATAC-seq matrix,  
533 where peaks include both putative enhancers we specified and gene promoters (500 bp  
534 upstream of TSS). The program returns co-accessibility scores for peak pairs. We filtered the  
535 output down to enhancer-promoter pairs only, removing enhancer-enhancer and promoter-  
536 promoter pairs. We also focused on analyzing enhancer-gene pairs that are within 100kb apart,  
537 to compare with our correlation-based analysis. We used a threshold = 0.2 following Ref<sup>9</sup> to call  
538 positive enhancer-gene pairs.

539

540 **Comparison with the ABC model.** We downloaded code from the github repository of the ABC  
541 model<sup>5</sup> (<https://github.com/broadinstitute/ABC-Enhancer-Gene-Prediction>) and followed  
542 instructions. We ran ABC for each MOp cell type (n=38) using our identified putative enhancer  
543 list (n=233,524) and pseudo-bulk ATAC-seq and RNA-seq data as input. We used genomic-  
544 distance based power law estimation to model chromatin contacts (--score\_column  
545 powerlaw.Score). The software returns a score (ABC score) for each enhancer-gene pair and

546 cell type. We excluded the expressed genes from the results, as suggested by the authors. We  
547 also focused on analyzing enhancer-gene pairs that are within 100kb. We used a threshold =  
548 0.022 as recommended by the authors to call positive enhancer-gene pairs.

549

550 **Generalized least squares (GLS) analysis to decouple covariance across metacells.** We  
551 used GLS<sup>16</sup> to test the association between gene expression and enhancer activity across cell  
552 types (metacells). We will focus on only one given enhancer-gene pair  $(g, e)$ , as the same  
553 procedure applies to all enhancer-gene pairs independently. Given an enhancer  $e$  and gene  $g$ ,  
554 Let  $y_{cg}$  be the mRNA expression in cell type  $c$ ,  $x_{ce}$  be the enhancer activity (e.g., mC or ATAC).  
555 Let  $C$  be the number of cell types. A linear model associating  $g$  and  $e$  can be written as:

$$556 \quad y_c = a + \beta x_c + \varepsilon_c \quad (\text{eq. 1})$$

557 where  $c$  is the index for cell types,  $\beta$  is the association strength, and  $\varepsilon$  is a noise term. In  
558 addition,  $a$  is an intercept term that can be omitted after data centering ( $x$  and  $y$  can be pre-  
559 centered to ensure  $E[y_c] = E[x_c] = 0$ ). In matrix notation, (eq. 1) can be simply noted as  $y =$   
560  $\beta x + \varepsilon$ .

561 In ordinary least squares (OLS), we assume  $\varepsilon$  is uncorrelated across cell types:  $E[\varepsilon_c] =$   
562  $0, E[\varepsilon_c \varepsilon_{c'}] = \sigma^2 \delta_{c,c'}$ . The correlation coefficient  $r = E[xy]/\sigma_x \sigma_y$  is then a measure of the linear  
563 association, and it has an associated p-value calculated using the t distribution. Alternatively,  
564 inference can be performed by permutation analysis to get an empirical p-value.

565 However, in our case we have correlated noise:  $E[\varepsilon_c \varepsilon_{c'}] = \Omega_{c,c'}$ , which reflects the  
566 correlation between cell types due to gene co-expression. That is,  $\Omega_{c,c'}$  represents the  
567 background of correlated variability in gene expression due to the hierarchical structure of cell  
568 types in complex tissues. We can estimate the correlation using the genome-wide covariance,  
569  $\hat{\Omega}_{c,c'} = Cov[y]_{c,c'}$ . In this case, generalized least squares<sup>16</sup> (GLS) can be used to give an  
570 estimate of the coefficient  $\beta$ . This corresponds to transforming the variables  $x, y$  from the

571 original basis (cell types/metacells, denoted  $c$ ) to an decorrelated basis (denoted  $r$ ), and then  
572 performing OLS on the decorrelated variables.

573 We first use singular value decomposition (SVD) to decompose the mean-subtracted  
574 gene expression matrix,  $y_{cg} = \sum_r U_{cr} S_{rr} V_{rg}^T$ , where  $r = \min(c, g)$ . Defining  $Z = US$ , we have  
575  $\Omega = ZZ^T$ . Multiplying both sides of (eq. 1) by  $Z^{-1} = S^{-1}U^T$  corresponds to a transformation from  
576 correlated to decorrelated (or whitened) basis:

$$577 \quad y' = \beta x' + \varepsilon' \quad (\text{eq. 2})$$

578  
579 where  $y' = Z^{-1}y$ ,  $x' = Z^{-1}x$ , and  $\varepsilon' = Z^{-1}\varepsilon$ . The noise term is now uncorrelated, because

$$580 \quad \text{Cov}[\varepsilon'] = E[\varepsilon'\varepsilon'^T] = E[Z^{-1}\varepsilon\varepsilon^T(Z^{-1})^T] = Z^{-1}\Omega(Z^{-1})^T = Z^{-1}ZZ^T(Z^{-1})^T = I$$

581 where  $I$  is the identity matrix. We can therefore use the correlation coefficient and its associated  
582 test statistics on transformed data  $y'$  and  $x'$ , as in the case of OLS.

583

584 **Expected range of correlation coefficients for independent variables.** Here we provide  
585 theoretical justification on why we expect the range of correlation coefficients ( $\hat{r}$ ) to scale as  $\frac{1}{\sqrt{N}}$ ,  
586 as seen in Fig. 2j and Supplementary Fig. 7b, where  $N$  is the number of metacells.

587 Let  $X$  and  $Y$  be two independent random variables. Let  $x_i$  and  $y_i$  be independent and  
588 identically distributed samples of  $X$  and  $Y$ , where  $i \in \{1, 2, \dots, N\}$ . In our case,  $N$  represents the  
589 number of metacells, and  $x_i$  and  $y_i$  are the transcriptomic and epigenetic signals for a given  
590 enhancer-gene pair for metacell  $i$ . We require  $X$  and  $Y$  to be independent of each other as they  
591 are unlinked, and  $x_i$  and  $y_i$  be independent samples as different metacells are also independent  
592 observations of  $X$  and  $Y$ , such as in the case of null distribution created by shuffling cells.

593 To simplify the notation, we assume  $E[X] = E[Y] = 0$ , as the mean does not affect  
594 correlation coefficient  $r$ . We also assume  $X$  and  $Y$  are symmetric, as in the case of normal

595 distribution. It is obvious that  $r(X, Y) = 0$ . However, we are interested in how the variance of  $\hat{r}$   
 596 depends on  $N$ , where  $\hat{r}$  is the sample estimate of  $r$  by  $\{x_i\}$  and  $\{y_i\}$ .

$$\begin{aligned}
 597 \quad \text{var}[\hat{r}] &\sim E(\hat{r}^2) \sim E\left[\frac{(\sum_{i=1}^N x_i y_i)^2}{\sum_{i=1}^N x_i^2 \cdot \sum_{i=1}^N y_i^2}\right] \\
 598 &= E\left[\frac{\sum_{a=1}^N \sum_{b=1}^N x_a y_a x_b y_b}{\sum_{i=1}^N x_i^2 \cdot \sum_{i=1}^N y_i^2}\right] \\
 599 &= \sum_{a=1}^N \sum_{b=1}^N E\left[\frac{x_a y_a x_b y_b}{\sum_{i=1}^N x_i^2 \cdot \sum_{i=1}^N y_i^2}\right] \\
 600 &= \sum_{a=1}^N E\left[\frac{(x_a y_a)^2}{\sum_{i=1}^N x_i^2 \cdot \sum_{i=1}^N y_i^2}\right] \\
 601 & \tag{eq.3}
 \end{aligned}$$

602 The last equality holds, as only non-interaction terms ( $a = b$ ) are nonzero. Moreover, as  $(x_a y_a)^2$   
 603 are equivalent for different  $a = \{1 \dots N\}$ , the above summation can be further simplified as:

$$\begin{aligned}
 604 \quad \sum_{a=1}^N E\left[\frac{(x_a y_a)^2}{\sum_{i=1}^N x_i^2 \cdot \sum_{i=1}^N y_i^2}\right] &= N \cdot E\left[\frac{(x_1 y_1)^2}{\sum_{i=1}^N x_i^2 \cdot \sum_{i=1}^N y_i^2}\right] = N \cdot E\left[\frac{x_1^2}{\sum_{i=1}^N x_i^2}\right] \cdot E\left[\frac{y_1^2}{\sum_{i=1}^N y_i^2}\right], \\
 605 & \tag{eq. 4}
 \end{aligned}$$

606 where  $E\left[\frac{x_1^2}{\sum_{i=1}^N x_i^2}\right] = \frac{1}{N} E\left[\frac{\sum_{i=1}^N x_i^2}{\sum_{i=1}^N x_i^2}\right] = \frac{1}{N}$ , due to the symmetry among indices. Therefore, we finally  
 607 arrive at

$$\begin{aligned}
 608 \quad \text{var}(\hat{r}) &\propto N \cdot E\left[\frac{x_1^2}{\sum_{i=1}^N x_i^2}\right] \cdot E\left[\frac{y_1^2}{\sum_{i=1}^N y_i^2}\right] = N \cdot \frac{1}{N} \cdot \frac{1}{N} = \frac{1}{N}, \\
 609 & \tag{eq. 5}
 \end{aligned}$$

610 and thus the range of the distribution goes as  $\frac{1}{\sqrt{N}}$ .

611

## 612 Supplementary tables

613 **Table S1.** A list of putative enhancers (cCREs; n=233,524 in total)



614 **Table S2.** Significant linked enhancer-gene pairs by mCG-RNA correlation

615 **Table S3.** Significant linked enhancer-gene pairs by ATAC-RNA correlation

616 **Table S4.** Cell type correspondence between this study and Ref<sup>6</sup>

617

618

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625

## 626 **Author contributions**

627 EAM and FX designed the study. ZY, BT, and HZ generated scRNA-seq data. HL, AB, MMB,  
628 JDL, CL, JRN, APD, ACR and JRE generated DNA methylation (snmC-Seq) data. HL, MMB,  
629 YEL, JDL, APD, OP, SP, and BR generated snATAC-Seq data. FX led the computational  
630 analysis. FX and EA developed code and performed analysis. FX, EA, and EAM wrote and  
631 edited the manuscript. All authors approved the manuscript.

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## 633 **Competing interests**

634 The authors declare no competing interests.

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636 **Data availability**

637 The scRNA-seq, snmC-seq, and snATAC-seq datasets from the mouse primary motor cortex  
638 are generated by BICCN (RRID:SCR\_015820) as reported previously<sup>6</sup>. The data can be  
639 accessed via the NeMO archive (RRID:SCR\_002001) at accession:  
640 <https://assets.nemoarchive.org/dat-ch1nqb7>. Genome browser:  
641 [https://brainome.ucsd.edu/BICCN\\_MOp](https://brainome.ucsd.edu/BICCN_MOp). The chromatin contact data generated by snm3C-seq  
642 is downloaded from publicly available files (Ref<sup>17</sup>;  
643 <https://salkinstitute.app.box.com/s/fp63a4i36m5k255dhje3zcyj5kfuzkyj1>).

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645 **Code availability**

646 Analysis scripts used for this paper are at [https://github.com/FangmingXie/scf\\_enhancer\\_paper](https://github.com/FangmingXie/scf_enhancer_paper).  
647 SingleCellFusion is available at <https://github.com/mukamel-lab/SingleCellFusion>.  
648 The code for ABC model analysis is downloaded from its github repository  
649 (<https://github.com/broadinstitute/ABC-Enhancer-Gene-Prediction>; Ref<sup>5</sup>).  
650 The code for CICERO analysis is downloaded as an R package  
651 (<https://www.bioconductor.org/packages/release/bioc/html/cicero.html>; Ref<sup>8</sup>).

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