

BELDEN SANFORD A
Form 4
January 31, 2006

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
BELDEN SANFORD A

2. Issuer Name and Ticker or Trading Symbol
COMMUNITY BANK SYSTEM
INC [CBU]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
9 LYNACRES BLVD.
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
01/27/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
President & Chief Executive Of

FAYETTEVILLE, NY 13066

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (D) | Price |
| Common Stock | 01/27/2006 | | M | | 11,814 | A | \$ 12.375 64,042 |
| Common Stock | 01/27/2006 | | M | | 20,272 | A | \$ 13.1 84,314 |
| Common Stock | 01/27/2006 | | M | | 1,200 | A | \$ 14.525 85,514 |
| Common Stock | 01/27/2006 | | M | | 31,960 | A | \$ 15.675 117,474 |
| Common Stock | 01/27/2006 | | S | | 65,246 | D | \$ 22.9164 52,228 |

Common Stock 2,130,561 ⁽¹⁾ I By 401(k) Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Stock Option | \$ 12.375 | 01/27/2006 | | M | 11,814 | 01/01/2002 01/01/2011 | Common Stock | 11,814 |
| Stock Option | \$ 13.1 | 01/27/2006 | | M | 20,272 | 01/01/2003 01/01/2012 | Common Stock | 20,272 |
| Stock Option | \$ 14.525 | 01/27/2006 | | M | 1,200 | 12/30/2005 02/20/2012 | Common Stock | 1,200 |
| Stock Option | \$ 15.675 | 01/27/2006 | | M | 31,960 | 01/01/2005 01/01/2013 | Common Stock | 31,960 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| BELDEN SANFORD A 9 LYNACRES BLVD. FAYETTEVILLE, NY 13066 | X | | President & Chief Executive Of | |

Signatures

Donna J. Drengel, as attorney-in-fact, pursuant to a power of attorney 01/31/2006

Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The number of shares reported herein were acquired pursuant to Community Bank System, Inc.'s 401(K) Plan and are based on a current plan statement.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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