

COMMUNITY BANK SYSTEM INC  
 Form 4  
 December 22, 2006

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL  
 OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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 \*  
 HIRSCHEY LEE T

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)

3. Date of Earliest Transaction (Month/Day/Year)  
 12/20/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)

300 CHIPPEWA POINT ROAD

(Street)

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

HAMMOND, NY 13346

(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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  |                                | (A) or (D)<br>Code V Amount (D) Price                             |   |  |   |
| Common Stock                    | 12/20/2006                           |  | M                              | 6,712 A \$ 17.4063  | 19,396  | D  |   |
| Common Stock                    | 12/20/2006                           |  | S                              | 6,712 D \$ 23.3502  | 12,684  | D  |   |
| Common Stock                    | 12/21/2006                           |  | M                              | 28,300 A \$ 17.4063   | 40,984  | D  |   |
| Common Stock                    | 12/21/2006                           |  | S                              | 28,300 D \$ 23.0681   | 12,684  | D  |   |
| Common Stock                    |                                      |  |                                |   | 2,000   | I  | By Spouse   |

|                 |        |   |   |
|-----------------|--------|---|---|
| Common<br>Stock | 26,080 | I | Trustee,<br>Climax<br>Manufacturing<br>Company,<br>Employee<br>Retirement<br>Plan |
|-----------------|--------|---|---|

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474  
(9-02)

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

| 1. Title of<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number of<br>Derivative<br>Securities<br>Acquired (A)<br>or Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) | Amount<br>or<br>Number<br>of Shares |                    |                 |        |
|---|--|---|---|--------------------------------------|--|--|---|-------------------------------------|--------------------|-----------------|--------|
|   |  |   |   | Code                                 | V  | (A)  | (D)   | Date<br>Exercisable                 | Expiration<br>Date | Title           |        |
| Stock<br>Option                                     | \$ 17.4063   | 12/20/2006                              |   | M                                    |  | 6,712  |   | 05/13/1998                          | 12/31/2007         | Common<br>Stock | 6,712  |
| Stock<br>Option                                     | \$ 17.4063   | 12/21/2006                              |   | M                                    |  | 28,300   |   | 05/13/1998                          | 12/31/2007         | Common<br>Stock | 28,300 |

## Reporting Owners

| Reporting Owner Name / Address                                 | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| HIRSCHEY LEE T<br>300 CHIPPEWA POINT ROAD<br>HAMMOND, NY 13346 | X             |           |         |       |

## Signatures

Donna J. Drengel, as attorney-in-fact, pursuant to a power of attorney

12/22/2006

\*\*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).

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

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.