

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)  
 300 CHIPPEWA POINT ROAD  
 (Street)

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

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

HAMMOND, NY 13346  
 (City) (State) (Zip)

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

**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) 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 Stock	26,080	I	Trustee, Climax Manufacturing Company, Employee Retirement Plan
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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 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			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	
Stock Option	\$ 17.4063	12/20/2006		M		6,712		05/13/1998	12/31/2007	Common Stock	6,712
Stock Option	\$ 17.4063	12/21/2006		M		28,300		05/13/1998	12/31/2007	Common Stock	28,300

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director    10% Owner    Officer    Other

HIRSCHEY LEE T  
300 CHIPPEWA POINT ROAD    X  
HAMMOND, NY 13346

## 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.

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