

DICERBO NICHOLAS A  
 Form 4  
 January 20, 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 \*  
 DICERBO NICHOLAS 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)

3. Date of Earliest Transaction (Month/Day/Year)  
 01/18/2006

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

2835 WEST RIVER 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

OLEAN, NY 14760

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock                    |                                      |  |                                | (A) or (D) Price  | 78,802.8224<br><u>(1)</u>   | D  |                                   |
| Common Stock                    |                                      |  |                                | (A) or (D) Price  | 89,181.3406<br><u>(2)</u>   | I  | By Law Firm (Partner)             |
| Common Stock                    |                                      |  |                                | (A) or (D) Price  | 1,704.3478 <u>(3)</u>   | I  | By Spouse                         |

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**

SEC 1474 (9-02)

displays a currently valid OMB control number.

**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) |              |                      |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title        | Amount Number Shares |
| Stock Option                               | \$ 23.74   | 01/18/2006                           |  | A                              | 3,298   | 01/18/2006   | 01/18/2016  | Common Stock | 3,298                |
| Phantom Stock (Stock Balance Plan)         | \$ 0   | 01/18/2006                           |  | A                              | 1,084.37  | (4)  | (4)   | Common Stock | 1,084.37             |
| Deferred Stock (Deferred Comp.)            | \$ 0   | 01/18/2006                           |  | A                              | 2,659.89  | (5)  | (5)   | Common Stock | 2,659.89             |

## Reporting Owners

| Reporting Owner Name / Address                                | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| DICERBO NICHOLAS A<br>2835 WEST RIVER ROAD<br>OLEAN, NY 14760 |               | X         |         |       |

## Signatures

Donna J. Drengel, as attorney-in-fact, pursuant to a power of attorney 01/20/2006

\*\*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) Includes 603.855 shares acquired on January 10, 2006 under the Community Bank System, Inc. Dividend Reinvestment Plan.

(2) Includes 620.12 shares acquired on January 10, 2006 under the Community Bank System, Inc. Dividend Reinvestment Plan.

(3) Includes 9.851 shares acquired on January 10, 2006 under the Community Bank System, Inc. Dividend Reinvestment Plan.

## Edgar Filing: DICERBO NICHOLAS A - Form 4

- (4) Phantom Stock (Stock Balance Plan) may be exercised upon the later of the reporting person's attainment of age 55 or termination of service on Community Bank System, Inc.'s Board of Directors.
- (5) Awards relating to the Deferred Stock units (Deferred Comp. Plan) may be exercised upon the reporting person's attainment of age 64.

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.