COMMUNITY BANK SYSTEM INC
Form 4
September 24, 2007

FORM 4

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

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

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).

(Print or Type Responses)

1. Name and Address of Reporting Person *
DEMPSEY WILLIAM M

(Last) (First) (Middle)

3003 GULFSHORE BLVD., NORTH, APT. #202

(Street)

NAPLES, FL 34103

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
09/21/2007

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
__X__ Director
_____ 10% Owner
_____ Officer (give title below)
_____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	09/21/2007		M		5,274	A	$ 15.6563	9,131.492 (1)	D	
Common Stock	09/21/2007		S		374	D	$ 20.61	8,757.492	D	
Common Stock	09/21/2007		S		800	D	$ 20.5	7,957.492	D	
Common Stock	09/21/2007		S		100	D	$ 20.57	7,857.492	D	
Common Stock	09/21/2007		S		100	D	$ 20.6	7,757.492	D	

Common Stock	09/21/2007		S	300	D	$ 20.55	7,457.492	D
Common Stock	09/21/2007		S	200	D	$ 20.54	7,257.492	D
Common Stock	09/21/2007		S	1,600	D	$ 20.53	5,657.492	D
Common Stock	09/21/2007		S	100	D	$ 20.52	5,557.492	D
Common Stock	09/21/2007		S	200	D	$ 20.34	5,357.492	D
Common Stock	09/21/2007		S	200	D	$ 20.3	5,157.492	D
Common Stock	09/21/2007		S	115	D	$ 20.29	5,042.492	D
Common Stock	09/21/2007		S	485	D	$ 20.28	4,557.492	D
Common Stock	09/21/2007		S	100	D	$ 20.31	4,457.492	D
Common Stock	09/21/2007		S	500	D	$ 20.27	3,957.492	D
Common Stock	09/21/2007		S	100	D	$ 20.26	3,857.492	D

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)		8. D S (I
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
	$ 15.6563	09/21/2007		M			5,274	01/02/1998	01/02/2008		5,274	

Stock Option	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DEMPSEY WILLIAM M 3003 GULFSHORE BLVD., NORTH APT. #202 NAPLES, FL 34103	X			

Signatures

Donna J. Drengel, as attorney-in-fact, pursuant to a power of attorney	09/24/2007
**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 37.676 and 39.032 shares acquired on April 10, 2007 and July 10, 2007, respectively, under the Community Bank System, Inc. Dividend Reinvestment Plan.

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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