1. To make a new folder, first click on the location you would like the folder to be. In this case I will click on Base Folder.
2. Creating the Folder

Next you will want to click on Add Content -> Entity -> Folder
3. Name the Folder

The [1] System Name is how the folder will show up in Cascade and in the url and should be lowercase with dashes (-) instead of spaces. The [2] Display Name will show up in the breadcrumbs on a page. When you are done click on [3] Submit.
4. Folder is Created

The folder is now created. You will notice that an index page has been created for this folder as well. If you do not need the page you can delete it.